

FINANCIAL TIMES

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A Tory engineer takes wing

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NEWS SUMMARY

GENERAL

Israel agrees to Shultz proposals

The Israeli cabinet has accepted in principle a U.S. plan for withdrawing its troops from Lebanon. But it wants clarification of some of the security and political aspects of the agreement. U.S. Secretary of State George Shultz has been travelling between Jerusalem and Beirut to arrange the pact. He will now go to Jordan and to Syria, where its terms have already been opposed. Syrian withdrawal from Lebanon is needed before Israel will agree to leave. **Back Page**

Reagan rebuffed

A Congressional committee cut \$10.5bn (£6.7bn) from President Reagan's defence spending request for next year but approved funds for his MX missile plan.

Aircraft plunge

A jet carrying 172 people from Miami to Nassau lost power in all engines because three small oil seals were missing, and plunged 17,000ft before regaining power.

Madrid deadlock

The Soviet Union rejected Western human rights proposals aimed at breaking a deadlock at the Madrid European Security Review Conference. **Page 2**

Jail for fraud

Three men were convicted at the Old Bailey of selling smuggled gold and melted Kruggerands, without paying VAT. One was jailed for seven years and fined £400,000. An inquiry into the alleged attempt to bribe a juror is under way.

Energy office

The Government is to create an Energy Efficiency Office to promote energy conservation and co-ordinate state campaigns. **Back Page**

Rape sentence

Stephen Booth was jailed for life at the Old Bailey for raping and "almost murdering" a girl on Streatham Common, London. He also admitted attacking six other women.

EEC demand

The EEC demanded more explanations from Argentina on the fate of thousands of people missing there in the last eight years. Many were Europeans.

Councils warned

Scottish Secretary George Younger told five high-spending local bodies to make big rate reductions or face cuts in their grants. **Page 5**

NHS study

Management consultants are to be appointed to study ways of improving the way NHS family practitioner services are run. **Page 8**

Bet noir

France banned electronic gambling machines from bars and cafes. Interior Minister Gaston Defferre said organised crime had taken them over.

Briefly...

Central African Republic hit by drought, called for aid.
Italian Senate leader Tommaso Morlino, 57, died.

BUSINESS

Harrods result due over weekend

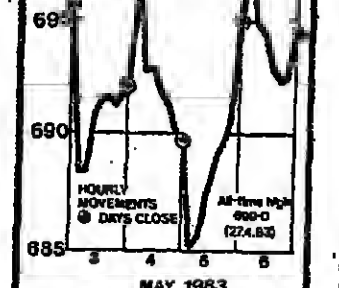
HOUSE OF FRASER will tell shareholders over the weekend whether London's move to force it to float off Harrods of Knightsbridge has succeeded. At yesterday's meeting shareholders with a crucial 4 per cent stake were still undecided. They could help London push through its plans to restructure the stores group.

STERLING held at \$1.578, firmed to DM 3.855 (DM 3.85123), FFf 11.615 (FFf 11.61) and SwFr 2.2425 (SwFr 2.2375), but eased to Y270.75 (Y271). Its trade-weighted index was 84.7 (84.9). **Page 37**

DOLLAR firmed in DM 2.4415 (DM 2.4405), held at FFf 7.36, gained to SwFr 2.053 (SwFr 2.051), and eased to Y234.75 (Y235.05). Its trade-weighted index was 122 (121.9). **Page 37**

GOLD fell \$2 to \$132 in London. In New York the Comex May settlement was \$357.2 (\$352.4). **Page 36**

EQUITIES were uncertain following the inconclusive local elections. The FT Industrial



Ordinary Index was 0.6 down at 684.4. **Page 39**

GILTS were quiet, with losses ranging in 10 in the shorts and 1 in the longs. **Page 39**

WALL STREET was up 18.75 at 1,239.45 near the close. **Page 38**

NGERIA: a group of international banks proposed refinancing part of the country's estimated \$5bn (£3.2bn) arrears on short-term payments. **Back Page**

BRAZIL is to attempt to renegotiate quarterly performance criteria set by the IMF as conditions for its three-year standby loan. **Page 3**

MINERWORKERS' union signalled a policy shift away from calling national strikes over pit closures towards crippling selective economic policy. **Page 3**

EXTEL, news agency group, launched a £12.5m agreed order bid for Benn Brothers, business publisher. **Back Page**

PHILIPS, Dutch electronics group, and Zanussi of Italy signed a letter of intent on co-operation in the consumer electronics field, particularly televisions.

RUPERT MURDOCH plans to launch five U.S. direct broadcast satellite television stations. **Page 25**

SEARS HOLDINGS, the Selfridges and British Shoe Corporation group, acquired 20 per cent of Central Independent Television's shares for £7m. **Page 20**

Thatcher still likely to go for June election

BY PETER RIDDELL, POLITICAL EDITOR

JUNE REMAINS the most likely date for a general election, despite the suggestion of the local election results that the Tories have a much smaller lead over the other parties than recent opinion polls indicated. As Mrs Thatcher nears a decision on timing to end a month of increasing speculation, the majority view at Westminster is that it will require a marked change of direction to stop the June handwagon.

The local election results suggest that the Conservatives would win an overall majority in the Commons, and Mr Jim Mortimer, Labour's deputy secretary, conceded that there was still "a good way to go before Labour could win a majority in an election." Nonetheless, Labour appears to be recovering while the Alliance vote has fallen.

The Conservatives are estimated to have received about 40 to 41 per cent of the vote in the local polls, with Labour obtaining about 35 per cent and the Alliance 23 per cent.

These figures will probably not be the crucial influence on the election date. The decision will be affected as much by the economic outlook and by the expectations of an early election which Tory leaders have allowed to build up in the past month. Many senior Conservatives believe the Prime Minister has misjudged the issue by narrowing her options.

Mrs Thatcher will be discussing the political prospects with senior ministerial and political advisers at Chequers tomorrow. The precise election date is still uncertain, with political opinion oscillating between Thursday, June 9, the recent narrow favourite, and June 16 and 23.

No statement is likely until Monday, though there are strong pressures for an early announcement.

Mr Cecil Parkinson, chairman of the Conservative Party, yesterday tried to play down the significance of the local election results. He said the outcome was very encouraging for the Government and confirmed the position was as the party had suspected.

Labour's leaders were en-

couraged by the results and there was evidence of a recovery of working-class support in council estates even in the southern half of the country. Mr Mortimer, speaking in Surrey where Labour and union leaders were discussing election strategy, claimed yesterday that things were moving in the party's direction.

These figures are highly tentative and depend considerably on the extent to which the Alliance would take votes disproportionately more from the Tories rather than from Labour. On the basis of Thursday's figures, the indicated overall Tory majority could be rather smaller, possibly even less than now.

Consequently, the key marginals could have gone either way based on Thursday's figures. Cambridge, Bury South and Stevenage would all probably go to Labour, with the Tories winning Kedgey, Stockport and Bolton north-east.

Analysis also points out that the Tories would have had a national lead of 5 to 6 per cent.

Continued on Back Page

Parties gain at cost of local independents

BY ROBIN PAULEY

THE NORTH-SOUTH political divide appears to be hardened—at least in local politics, with Labour failing to take firm control of the crucial Midlands territory.

This is the only firm conclusion to be drawn from Thursday's local elections in England and Wales. The final results yesterday showed that the Conservatives, Labour and the Liberals all gained more seats than they lost; the Social Democrats and Independents lost more than they won.

Each party had its unexpected, and therefore slightly spectacular, successes and failures. The Tories won Reading, lost Stockport and held Birmingham. Labour captured Liverpool, lost Bristol and held Newcastle. The Alliance lost Adur (which centres on Slough in Sussex) won Chelmsford but failed in the much more

likely areas of Cheltenham and Wokingham. Although the results were patchy and inconsistent for all parties, with no real overall "winners," there was one group of losers—the Independents. They lost seats at the rate of about four for each one gained as voters, seeking a general election, returned to party politics.

The SDP-Liberal Alliance picked up 23 per cent of the vote across the country but failed to make any serious inroads into local government, particularly in the big urban conurbations. The SDP fared worse than its partners, as lack of local organisation still more than countered an improved system of "targeting" of winnable seats.

Results in full and voting pattern analysis, Pages 4 and 5; Feature, Page 18; Lex, Back Page

STATE OF THE PARTIES

	Con	Lab	Lib	SDP	Ind	Others
Seats gained	568	397	259	66	95	42
Seats lost	389	264	144	74	315	70

*In 200 of the 3,000 constituencies where results can be compared. No comparison is possible in 49 constituencies because of ward boundary changes.

Jobless trend still rising

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

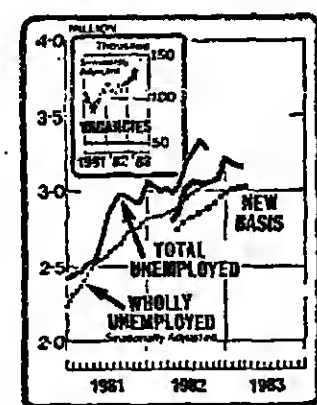
THE RECORDED unemployment total including school leavers fell by 3,000 to 3.2m last month but the underlying trend remains upward.

The Employment Department latest returns show that the underlying figure rose by 21,900 in 3.0.2m. This would have been 24,400 higher but for an accounting change announced in the Budget. This allowed unemployed men aged 60 to 65 to obtain National Insurance credits for their pensions without signing on at unemployment benefit offices.

Last month 26,400 of the 90,000 men in this category came off the unemployment register. The rest are expected to make the change this month.

A second Budget change will remove a further 42,000 men aged more than 60 from the register in the summer. These unemployed men receiving supplementary benefit will, from next month, can opt for the higher (penal) rate if they are no longer seeking work.

This change is expected to reduce recorded unemployment substantially in July.



These once-for-all reductions will be added to the normal seasonal fall in unemployment which occurs in the late spring and early summer.

This, a fall of about 60,000 a month in the headline totals for this month and next is expected.

This month's headline total, to be published on June 3, could show a fall of about 100,000—a welcome movement for the Government if it decides on a June election.

Glaxo wins vital U.S. go-ahead for sale of its anti-ulcer drug

BY CARLA RAPOPORT

GLAXO, Britain's largest pharmaceutical company, has been given a crucial go-ahead by the U.S. Food and Drug Administration for the sale of its anti-ulcer drug, Zantac, in the U.S.

The new took the company's shares to 895p yesterday, a rise of 40p. The U.S. is the largest single market for drugs, with annual sales worth more than \$14bn (£8.7bn).

Zantac works by blocking the secretion of gastric acid in the stomach, thus allowing an ulcer to heal. The drug's only major competitor in the field is Tagamet, produced by Smith Kline Beecham of the U.S.

Tagamet is at present the best-selling drug in the world, with sales worth almost \$1bn (£633m) a year.

Zantac, which was launched in the UK in late 1981, has now captured 30 per cent of the overall anti-ulcer drug market. In Italy, it has a 70 per cent share, while figures for the first six months of sales in West Germany give Zantac a 25 per

cent hold on sales in that market. A "national launch" of Zantac in the U.S. awaits agreement with the FDA on the drug's labelling. This process normally takes about two months.

So far, however, the FDA has only given the go-ahead for the use of Zantac in the short-term treatment of duodenal ulcers. Tagamet's approved uses in the U.S. are much wider, although it is expected that Zantac will achieve further approvals within the next year.

London stockbrokers de Zoete & Bevan expect that Zantac's sales in the U.S. will reach \$73m in the first year, out of projected worldwide sales of \$215m in the year to June, 1983.

In the year to June, 1982, the company's total sales of Zantac were estimated at around \$75m. De Zoete's predicts that sales of the drug will reach \$65m by 1985.

Glaxo will market Zantac in the U.S. in a joint-promotion deal with Hoffmann-La Roche, the Swiss pharmaceutical group. More than 450 salesmen will be selling the drug across the U.S. through Glaxo's U.S. subsidiary, based in Fort Lauderdale, Florida.

Glaxo has been one of the fastest-growing companies in Britain during the last five years. Its sales have grown from £543m in 1978 to £865.8m in 1982. Earnings per share in 1982 were increased by more than 16 per cent annually, from 24.6p in 1978 to 46.8p in 1982.

Analysts expect Zantac to create a larger market for anti-ulcer drugs, rather than significantly to cut into Tagamet's market share.

The Opposition will emphasise, however, that the underlying rise in unemployment continues at a glacially steady pace.

Last month's 21,900 underlying rise, allowing for seasonal factors and the accounting change, compares with an average monthly increase of 27,700 in the previous 12 and an average of 23,600 in the first three months of this year.

Signs that unemployment may be increasing less quickly are, therefore, weak, although the Government may be encouraged by the slow but steady increase in the number of vacancies recorded at jobcentres.

Vacancies last month were 134,500, seasonally adjusted. This was 8,400 more than the figure for the previous month.

About half the increase represented a rise in the number of permanent jobs offered in government-sponsored community programmes.

Recorded vacancies were nevertheless the highest since June 1980 and 23 per cent higher than a year earlier.

Regional map, Page 3

Amoco attacks sales of British Gas oil assets

BY RAY DAFTER, ENERGY EDITOR

AMOCO, a major U.S. oil group which plans a \$500m (£316m) North Sea oil development with British Gas, attacked the Government yesterday, for the way it is selling the gas corporation's oil assets.

"I don't think it is cricket," said Mr Howard Dalton, managing director of Amoco (UK) Exploration, which is one of the gas corporation's partners in a number of offshore projects.

Along with Texas Eastern and Amerasia Hess, Amoco and British Gas plan to exploit the small Arbroath Field, 140 miles north-east of Aberdeen, it was disclosed.

Under original development agreements Amoco and other co-venturers held the right to match any bid for British Gas assets in fields in which they were in partnership. But Mr Dalton said the Government had now "circumvented" that right

by transferring the Gas Corporation's oilfield interests to a holding company.

Mr Dalton also challenged the decision of Mr Nigel Lawson, the Energy Secretary, to sell the corporation's oil assets. "I am puzzled why he is doing this. British Gas is a very effective organisation. It works."

Even so, he went on, Amoco might well bid for some of the assets which, according to stockbrokers, could raise between £35m and £55m for the Treasury.

Amoco is a partner with British Gas in four commercial oilfields: Hutton, North-West Hutton, Fulmar, and Montrose.

The Arbroath Field lies immediately to the south of Montrose. Amoco is discussing with Energy Department officials whether the field should be classified as a separate reserve.

Continued on Back Page

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(*Source: Plannet Savings April 83)

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISERS:		FALLS:	
Bank of America	183 + 8	Exch 12 1/2p 90	1111 - 1
European Ferries	78 + 5	Akroyd & Smithers	351 - 14
Exxon	630 + 57	Barratt Devis	462 - 8
Glaxo	895 + 40	Becrham	775 - 10
House of Fraser	220 + 10	Hemlins	705 - 10
London Brick	166 + 3	Mellins	142 - 15
Rank Org	168 + 8	Minet	127 - 6
Regalton	68 + 17	Solihby's	232 - 23
Rovercar Mac	236 + 6	Sound Diffusion	43 - 4
KVA Drilling	43 + 4	Trident TV A	86 - 11
Saxon	188 + 22	UEI	255 - 10
Tricentrol	178 + 6		
Trusthouse	178 + 6		

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For latest Share Index phone 01-246 5076

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*The weekly fund's performance is based on the performance of the fund's assets, not on the performance of the fund's units.

Source: Plannet Savings April 83

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OVERSEAS NEWS

China urges Seoul to return hijackers

By Mark Baker in Peking

SENIOR Chinese officials will make an unprecedented trip to South Korea today to negotiate the return of the six hijackers of a Chinese domestic airliner.

The South Korean Government has indicated it is ready to hand back the five men and a woman who hijacked a Trident jet with 106 people aboard in an attempt to fly to Taiwan.

The six Chinese, who surrendered eight hours after landing at a U.S. air base near Seoul, are almost certain to be executed on their return to Peking.

The director-general of the Civil Aviation Administration of China (CAAC), Mr. Shen Tu, and other officials are expected to fly to Seoul early today.

Administration officials said late yesterday that the South Korean authorities had approved the trip after receiving a personal telegram on Thursday night from Mr. Shen.

The agreement for the trip is remarkable because the Chinese Government, which backs the Communist government in North Korea, does not recognise the Seoul Government.

The South Koreans are reported to have said that they are treating the incident as a hijacking and will comply with international law, which stipulates that hijackers must be sent back to the country of origin.

The Chinese jet, carrying 96 passengers and nine crew, was hijacked on Thursday morning during a flight from Shenyang, north-east of Peking, to Shanghai. It is the first time that a Chinese civilian aircraft has been successfully hijacked out of the country.

Reports from Seoul say that about an hour after the aircraft left Shenyang, the hijackers, armed with pistols and explosives, forced their way into the flight deck after shooting out cabin locks.

They ordered the pilot to fly to Taiwan. During scuffles with the crew, the navigator and radio operator were wounded.

Reports say the aircraft first flew to North Korea and circled the capital Pyongyang several times before heading to South Korea. It landed at Chunchon airbase, a U.S. military field 30 km north-east of Seoul.

Seoul Radio reported that after eight hours on the ground, the hijackers surrendered to South Korean police and U.S. military officials. The wounded, one of whom was said to be seriously injured, underwent surgery at a U.S. military hospital.

COVERT U.S. AID FOR NICARAGUAN GUERRILLAS TO CONTINUE

Compromise on rebel funds agreed

WASHINGTON — The U.S. Senate Intelligence Committee yesterday approved a compromise plan that would allow President Ronald Reagan to continue covert support for Nicaraguan Rebels until September 30 but require him to submit a redefined programme if it is to continue after that.

The compromise would permit the House of Representatives and Senate Intelligence committees to vote on whether to release money for the new plan. Without that approval, the covert action would end.

Republican senator Barry Goldwater, committee chairman, announced the compromise in a rare news conference. He said the panel's vote favouring the compromise was overwhelming, but he declined to announce the vote.

Mr. Goldwater said President Reagan, who had lobbied against another proposal to cut off funding for the covert action, had agreed to submit a new presidential finding defining the scope and goal of CIA activities within the next few months.

On Tuesday, the House Intelligence Committee voted to terminate U.S. covert aid to the insurgents fighting against the left-wing Nicaraguan Government. Mr. Reagan called that vote "irresponsible."

Mr. Goldwater said the committee did not vote on a proposal from Republican Senator David Durenberger to cut off the aid.

The compromise, prepared by Mr. Goldwater, could, however, prevent the covert action after September 30—the end of the current fiscal year—if the new presidential finding does not meet the criteria of the committee members.

● Nicaragua has said that a rebel invasion of its territory on two fronts has been contained but has asked for an urgent meeting of the UN Security Council to stem what it said was a U.S.-backed invasion.

Nicaragua's UN Representative said measures had to be taken to stop the rebel incursions because a deterioration of the situation would endanger world peace and security.

● Costa Rica, caught in Central American violence without an army of its own, has asked for an "international" force to guarantee its northern frontier with Nicaragua.

The request was presented to the Organisation of American States in Washington by Sr. Hernando Soto, the Costa Rican representative and Ambassador to the U.S.

Costa Rica wants the force to be made up by Mexico, Panama, Colombia and Venezuela.

The U.S. State Department said on Thursday it would study the Costa Rican request and consult with other Latin American countries before reaching a decision on what the U.S. position would be. Agencies

Sweden protests over Soviet submarines

By Kevin Done, Nordic Correspondent in Stockholm

SWEDEN yesterday warned Moscow that continuing violations of its territorial waters by Russian submarines would have a very serious impact on bilateral relations.

Mr. Olof Palme, the Swedish Prime Minister, rejected as unacceptable the Soviet response to the protest note handed by the Swedish Government to Mr. Boris Pankin, the Soviet Ambassador in Stockholm last week.

The Russian Ambassador had said that the Soviet Union had been wrongly accused and had attacked the "unfriendly" behaviour of the Swedish Government and the anti-Soviet propaganda appearing in the Swedish press.

Reagan undecided

President Reagan said in a radio interview yesterday it would probably be late summer before he decides whether to reappoint or replace Mr. Paul Volcker as Chairman of the Federal Reserve Board. Reuter reports from Phoenix, Arizona. He repeated denials of reports that he had decided to replace Mr. Volcker.

Japan-China visit

Mr. Malcolm Baldrige, U.S. Commerce Secretary, will lead a delegation to Japan and China from May 12-25 in the Administration's latest effort to ease trade frictions with those countries. Reuter reports from Washington. An economic summit meeting is set for May 28-30 in Williamsburg, Virginia, of leaders from the U.S., Japan, West Germany, France, Britain, Italy and Canada.

Two Africans shot

South African police shot dead two black guerrillas belonging to the banned African National Congress in an incident on Wednesday night near the Botswana border. Reuter reports from Pretoria. Police said the guerrillas were armed with Soviet weapons and grenades.

Grants from EEC

The EEC Commission yesterday announced regional fund grants worth almost \$220m for projects in Italy, Greece and Britain. Reuter reports from Brussels. Britain's \$10m will finance projects to create or save 1,100 jobs.

Restrictions eased

Italy has eased currency restrictions on Italian tourists. Reuter reports from Rome. They may now export up to L.1.6m (\$1,100) worth of foreign currency each year, as well as up to L200,000 (\$140) banknotes each trip. Previously, tourists were allowed only L.1.1m (\$750), including banknotes.

Hodel suggests a softening of U.S. line at IEA talks

By Paul Betts in Paris

MR DONALD Hodel, the U.S. Energy Secretary, suggested yesterday that Washington will adopt a conciliatory approach to the ministerial meeting of the International Energy Agency (IEA) in Paris tomorrow.

The IEA meeting will consider a six-month study on the energy requirements and security of Western industrialised countries.

The study has been at the centre of the long running controversy between the U.S. and its European allies on the Siberian gas pipeline. But the recent decision to drop one of the key points of contention between Washington and the European countries appears to have reduced the risk of a major dispute occurring at the IEA meeting this weekend.

Mr. Hodel said yesterday that the U.S. was prepared to support the conclusions of the IEA study. He also said "my assumption is that the pipeline quarrel is finished."

The key point of contention in an earlier draft of the IEA report was a recommendation that no Western country be dependent on one single producing country for more than 30

per cent of its annual energy needs.

This 30 per cent ceiling was objected to by France and West Germany which will both see their imports of Soviet gas increase substantially when the pipeline is due to come on stream next year.

The study also the less understood to contain a recommendation whereby Western European countries would review on an annual basis their gas import projects.

The IEA ministerial meeting will be the first of a series of meetings in Paris on international economic and East-West issues focused around the Organisation of Economic Co-operation and Development (OECD).

The IEA meeting will be largely centred on global energy security issues with the detailed debate on East-West trade being taken up by the OECD council meeting on Monday and Tuesday.

Despite the apparent conciliatory tone last night of Mr. Hodel on the debate about energy problems, the U.S. has clearly not abandoned its position on the monitoring and control of sensitive technological exports from the West to Moscow.

Polish journal criticised

By David Buchan

A SOVIET weekly magazine has attacked one of Poland's most influential journals, in what appears to be a warning to the Jaruzelski government not to permit any creeping rehabilitation of Solidarity by the Polish Press.

A commentary in *Novoye Vremya* (New Times) described the Polish magazine *Polityka* as being allergic to real Socialism. *Polityka* was founded and edited for a long time by Mr. Mieczyslaw Rakowski, now a Deputy Prime Minister in the Jaruzelski government. Mr. Rakowski has supported the martial law crackdown on Solidarity, but clearly is still re-

garded with some suspicion in Soviet circles as a liberal.

The Soviet commentary by Mr. Andrei Ryzhov said that *Polityka* "considers it normal to propagate views foreign to proletarian, communist ideology."

"The rehabilitation of Solidarity is dictated by the attempt to revise and discredit the Polish Communist Party line in its fight against anti-socialist opposition," the *New Times* commentator said, evidently reflecting current Soviet concern that criticism of past Polish party policies may be a disguise for expressing sympathy with Solidarity.

S. African plan attacked

By Bernard Simon in Johannesburg

SOUTH AFRICAN opposition parties and black leaders have strongly criticised several aspects of draft legislation for a new constitution published by the Government on Thursday.

The draft Bill proposes that a tricameral Parliament be created by adding to the present white-only House of Assembly, a "House of Representatives" for Coloureds, and a "House of Deputies" for Asians.

crucial to the implementation of the system, reiterated that it will participate in the new structures despite its objections.

Besides the total exclusion of blacks from the central decision-making process, the main criticism is the sweeping powers given to the new executive president, who will have wide legislative as well as executive powers.

Mr. P. W. Botha, the Prime Minister, is expected to be the first president when the constitution is implemented.

Russia rejects human rights amendments

By Tom Burns in Madrid

The head of the Soviet delegation yesterday brought the Madrid East-West security and co-operation conference to a deadlock by refusing to accept Western suggestions that aimed to strengthen human rights guarantees in the conference's concluding document.

The clash over human rights was made poignant by the presence at the conference of Mrs. Artyl Shcharanovskaya whose husband, Mr. Andrei Shcharanovskiy, a prominent dissident, is serving 15 years on charges of espionage and anti-Soviet propaganda.

Addressing the 35-nation meeting, which has been in session since November, 1980, Mr. Anatoly Kovalev, the chief Soviet delegate, endorsed a compromise draft for a concluding document that has been put before the conference since March 15. A number of amendments have been suggested by Western delegations, who believed it to be lukewarm on human rights.

Mr. Kovalev said: "We have been meeting here for a long time and the possibility of further negotiations is exhausted for all practical reasons. If anyone wants to change this draft it would lead to the rubbing out of everything positive that has been achieved at this meeting."

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U.S. attempts to halt theft of technology

By Nancy Dunne in Washington

THE U.S. State Department yesterday announced the implementation of a new visa policy aimed at stemming the theft of strategic technology by visitors to the U.S.

While unable to estimate the number of visitors the new procedures would affect, Mr. William Schneider, the Under-Secretary of State, said the policy would apply to "a considerable number" of people "known to be in the business of illegal technology acquisition."

He said that visa applications sent routinely from U.S. consular officers would be "marked" with information from intelligence agencies. Depending on the results, visas might then be denied or visitors may be restricted in their U.S. travel.

Although the U.S. has not previously had regulations which permit a denial of visas on grounds that visitors may attempt to acquire strategic U.S. technology, the policy will not require additional legislation.

Mr. Schneider, chairman of an interagency group on the transfer of strategic technology which has studied the problem

over the past year, said that weaknesses in the visa procedures had allowed Warsaw Pact countries to acquire technology, savings of hundreds of millions of dollars in research and development costs.

He said he hoped the new visa procedures would deter many who might be planning to enter the U.S. to acquire technology illegally.

The procedures concern technology which is on the commodity control list, on the munitions list, regulated under the Atomic Energy Act or controlled by the national security classification system.

Warsaw Pact nations had been able to develop better tactical aircraft and fire-control systems, and improve air defence, nuclear weapon design and ballistic missile guidance.

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U.S. unemployment rate slips to 10.2% in April

By Nancy Dunne in Washington

THE U.S. unemployment rate edged downward by 0.1 per cent in April to 10.2 per cent as the economic recovery slowly gathered steam.

According to the Labour Department, the jobless rate is now at its lowest for seven months, with 11.3m without employment besides 1.8m too discouraged to even look for work.

Unemployment in manufacturing dropped from 12.5 to 12.4 per cent last month, the major improvement being among women. Joblessness for women dropped from 8.8 per cent to 8.4 per cent, but among men it rose 0.2 per cent to 9.8 per cent.

Unemployment declined from 11.2 per cent to 10.4 per cent for workers employed in the wholesale and retail trade, and total employment rose by 355,000 to 99.5m. However, black workers have returned to a 20.8 per cent unemployment rate, a rise of 0.8 per cent from last month.

Paul Taylor in New York said: Eastman Kodak, the U.S.

photographic products group, said yesterday that it plans to lay off a further 1,600 employees at its Rochester, New York, photographic equipment division because of depressed sales.

Three months ago Kodak laid off about 1,100 people at the plant. Taken together with 1,000 workers who took early retirement or voluntary redundancy earlier this year, this means the company has reduced its workforce in Rochester by 19 per cent to 16,000 since late January.

Kodak sales fell by 5 per cent to \$2.13bn in the first quarter and its net profits plunged 73 per cent to \$49.4m after a \$87.5m special charge related to the retirement and redundancy programme.

Kodak said the latest layoffs were necessary because of "adjustments in production schedules as a result of business conditions." The Rochester plant is Kodak's only U.S. apparatus plant. It manufactures cameras, copiers and other photographic equipment.

ELBAR INDUSTRIAL P.L.C.

Extracts from the statement by the Chairman, Mr. R. P. L. McMurtrie.

RESULTS FOR THE YEAR ENDED 31st DECEMBER	1982	1981
TURNOVER	£68,327,885	£65,992,495
(LOSS)/PROFIT BEFORE INTEREST	(137,052)	(428,350)
(LOSS) BEFORE TAXATION	(2,314,414)	(2,257,619)
(LOSS) FOR THE YEAR	(2,314,414)	(2,257,741)
(LOSSES) PER SHARE	(50.62p)	(55.68p)

The Group's operations encompass a significant number of activities which are severely affected by economic recession and high unemployment. It will therefore come as little surprise that, in the economic climate which prevailed in the United Kingdom during 1982, the Elbar results were most disappointing.

CAR, VAN & TRUCK DIVISION

In the Car, Van and Truck Division demand has been slack, reflecting the lower spending power of both fleet and retail customers and this, combined with strong competition between the major vehicle manufacturers has depressed the operating performance of this division.

AGRICULTURAL DIVISION

In the Agricultural Division, conditions have been similar but here, results have been further aggravated by the almost suicidal attempts of competitive manufacturers to "buy" market share and the problems that have been developing over recent years in selling second-hand agricultural equipment. This division also contains an agricultural machinery manufacturing operation which has written-off during the year research and development expenditure of some £150,000 in connection with new products which are expected to contribute to profitability in the future.

SPECIAL PRODUCTS DIVISION

The Special Products Division contains various businesses which do not fit naturally into any particular trading or production group. Most of the operations in this division have traded profitably in 1982, some, although relatively small, have performed very creditably indeed in the circumstances of the general economy. However, the operating results of this division have been depressed considerably by the losses of Industrial Engines (Sales) Limited, fabricating generators; whilst the problems of this subsidiary (referred to in last year's review) in connection with unsold stock in Iraq were overcome without direct loss, this matter caused considerable disruption to a business which was already trading in a very competitive environment. Management changes were implemented during the latter part of 1982 and considerable emphasis is being given to developing new markets for that company's products.

GROUP BORROWINGS

The level of group borrowings remained high during the period in which the problems of Industrial Engines (Sales) Limited were being unravelled, a period when interest rates were particularly high. Consequently, the interest burden for the year is exceptionally heavy. Since rising to their peak in the third quarter borrowings had been reduced substantially by the year end.

Your Board continues its efforts to reduce the level of group borrowings and this is one of its major aims in 1983. Emphasis had already been placed in 1982 on identifying properties surplus to requirements and a number of small properties were sold in the year; since the year end agreements have been entered into for the sale of further property amounting in total to approximately £750,000. Studies are continuing, and further properties may be identified and placed on the market in due course.

TRADING CONDITIONS

In the difficult trading conditions which prevailed throughout 1982, all operations within the Group have had to exercise strict controls over costs, stock and staff levels and their use of capital and property. To meet the competition and small margins which continue in the Group's markets, such controls will have not just to be maintained, but tightened, if Elbar is to retain its share of those markets and return to profitability.

CURRENT TRADING

Trading conditions in the first quarter of 1983 have shown some signs of improvement in certain areas of the Group's operations and it is hoped that this will be maintained for the rest of the year; however, there are few signs of any dramatic upturn in the economy in general or in the particular sectors in which the Group operates. Both the Agricultural Division and Industrial Engines (Sales) Limited continue to give some cause for concern and these will receive the particular attention of your Board during 1983. Several of the other operations in the Special Products Division have performed well in the first quarter and every effort will be made to reinforce this success. The Car, Van and Truck Division has given early indication of an improvement in profitability.

The Company's Annual General Meeting will be held in the Council Chamber of the Chartered Insurance Institute, 20 Aldermanbury, London EC2V 7HX at 10.30 am on Friday, 27th May, 1983.

There is still a market for strong drink under strict Islam

Pakistan's only master brewer

By Alain Cass recently in Rawalpindi

THE ONLY master brewer in the Islamic state of Pakistan is a little like a missionary in a red light district. He is constantly surrounded by temptation, but it is all in a good cause.

A little sadly the craftsmen reaches down into a huge, wooden box and runs his fingers through fermenting malt. "It's excellent beer," he says, "no doubt about that. Beer is the richest source of Vitamin B complex you know. It's as good as bread. Mind you, I never touch the stuff myself." Beer, he meant, not bread.

The brewer—he would like, for understandable reasons, to remain anonymous—is a relic of the past, as well as a concession to the present.

His craft became obsolete in 1977 when Mr. Zulfikar Ali Bhutto, the late Prime Minister, ordered prohibition. The Murree Brewery in Rawalpindi, which was then an exporting concern producing 800,000 gallons of beer a year, as well as whisky, gin, vodka and rum, became subject to the strictures of Islam and had to slash its production.

"We can no longer export our product," says the brewer, "and we're now down to 20 per cent of past production." Under the military regime of President Zia-ul-Haq, a devout, not to say zealous, Moslem, the penalty for drinking alcohol is 40 lashes.

However the brewery—which stands just across the road from where Gen Zia lives and works—has been allowed to continue limited production, under heavy military supervision—it is ringed by barbed wire and a security system which would do justice to Fort Knox—for the benefit of foreigners in Pakistan, as well as the country's diplomatic community.

In addition to beer the brewery produces 112,000 gallons of hard liquor. This includes vodka with a Russian label, a passable imitation of Gordon's gin, rum, brandy and three varieties of whisky. The vodka, the brewery assures visitors, does not find its way to the 100,000 Russian troops in neighbouring Afghanistan.

The Murree Brewery was built in 1881 for the benefit of British colonialists who exchanged their local pulk for the mysteries and adventures of India. It stayed in British hands until partition in 1947 when the family of Mr. M. P. Bhandara, the present owner, who are Parsees, not Moslems, took it over. One small irony

is that Mr. Bhandara is an adviser to President Zia, as well as a member of Pakistan's appointed Federal Council.

There were two other breweries in what was to become Pakistan. One, destroyed in an earthquake in 1935, was in the remote province of Baluchistan, where British squaddies really could work up a thirst. The other, at the town of Murree in the Himalayan foothills, was set alight by a Moslem crowd in 1947.

The company has three other units besides the brewery. These include a glass bottle-making plant, a soft drink unit and a beverage and food plant. Despite, as Mr. Bhandara put it, being as appropriate as a bookie in the Vatican, the company has managed to push up its profits from Rs 1.4m (£73,600) in 1979



to around Rs 4m in 1982. Demand for beer is rising and so is consumption of liquor, despite the tortuous procedure, which foreigners have to go through to buy drink, including getting permits and signing awesome forms.

The retail price of a large

The brewery has been allowed to continue limited production for the benefit of foreigners living in Pakistan

hottle of beer from Murree's brewery is Rs 25 (£1.30). A bottle of vodka is sold at Rs 125 and the least expensive whisky at the same price. Most hotels, however, tend to make a thumping profit by charging up to twice as much, and often more to businessmen who, in other countries would make straight for the bar after an arduous round of appointments.

No alcohol may be consumed in public but foreigners are allowed to drink in the privacy of their hotel rooms or homes, a concession to the lafidel not to be found in many Islamic states.

The brewery even has expansion plans. It has

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UK NEWS

Future of Alfred Herbert still unclear

By Ian Rodger

THE FUTURE of Alfred Herbert, the leading machine tool business which went into receivership a month ago with debts of £17m, remains uncertain.

Mr Mark Homan, one of the Price Waterhouse receivers said yesterday that he expected no solution for at least a week or two.

"We are talking to a number of people, but this is a complicated business and they need time to put together their offers."

He said several British companies were examining the business and there was also "overseas interest". Not all the interested parties were machine tool manufacturers.

Asked if he was optimistic that the business would be sold as a going concern, he said: "I'm hopeful." There was "fairly strong interest" in the group's products and name, but, if the business were broken up, "that would leave me with more assets than I could easily dispose of."

Alfred Herbert has a large factory at Edgwick, Coventry. Mr Homan said a redundancy programme, announced just before the company went into receivership, had been completed. It has reduced the staff from 738 to 430.

Representatives of the remaining Alfred Herbert employees met yesterday Mr John Butcher, the Industry Minister responsible for the West Midlands.

Mr Dave Parsons, a design engineer at the company and chairman of the joint unions branches there, said Mr Butcher was sympathetic but offered "nothing concrete". He said it would be disgraceful if the company or its products were sold abroad.

Mr Parsons has also approached the West Midlands Enterprise Board for aid. He said it had agreed to do a feasibility study.

Alfred Herbert is the UK market leader in the computer-controlled (CNC) lathe field, with an estimated 20 per cent share.

The CNC lathe business used to be part of the old Alfred Herbert group put into liquidation by the National Enterprise Board in 1980. It was purchased by two entrepreneurs in the machine tool refurbishing business.

They resorted to profitability within a year, but then ran into difficulties when demand for machine tools in the UK and the U.S. dropped. Its annual turnover is about £20m.

Prior seeks to quell Irish anger

By Our Belfast Correspondent

MR JAMES PRIOR, the Northern Ireland Secretary, said yesterday that remarks by Mr Michael Heseltine, Defence Secretary, about Ireland's neutrality would not have a lasting effect on Anglo-Irish relations.

He said Mr Heseltine's criticism of Ireland's stance was the subject of a formal complaint to Britain by the Irish Government — had caused a stir in the Dail (Irish parliament).

Mr Heseltine's comments on the neutrality issue were made to reporters during his visit to Ulster on Wednesday.

Mr Prior had taken Mr Heseltine to Dublin with Dr Garret FitzGerald, the Irish Premier, and members of his Government, which he said were constructive and fruitful.

"Anglo-Irish relations are showing signs of considerable improvement," Mr Prior said. "Although we have problems from time to time, these remarks (Mr Heseltine's) are not going to stand in the way of any improvement."

The Northern Ireland Secretary confirmed that the comments on neutrality had arisen at his meeting with Dr FitzGerald, but thought it unlikely that there would be an apology from the British Government.

It appears the Irish Government does not plan any further action over Mr Heseltine's remarks.

However, the affair provoked further political argument in Dublin yesterday. Mr Charles Haughey, Opposition leader, said it was ludicrous for the Government to wine and dine one of its critics. Mr Prior — while it was protesting about the behaviour of another.

The row certainly overshadowed Mr Prior's visit to Dublin, which was intended to show that Anglo-Irish relations were improving.

Mr Prior himself attempted to smooth things over yesterday, saying that Irish neutrality had never been in question. He said Mr Prior was already made addressing himself to the people in Britain who advocated neutrality and asking who would defend that neutrality.

Ford's Sierra stays top of the best-selling cars

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

THE SIERRA was Britain's best-selling car last month following a rush of registrations in the last few days by Ford dealers anxious to qualify for bonuses on £250 a car.

It was the second month in succession that the Sierra took top place, making it the year's best-selling car so far.

Its market share 11.59 per cent in March, 12.15 per cent last month. In the January-April period it secured 10.13 per cent.

To achieve this Ford has had to run a series of incentive schemes since mid-January, unusual for a car so recently introduced.

Various bonuses and additional discounts to dealers have enabled one West London outlet to advertise "Sierras at cost plus 1 per cent" for weeks.

Such a promotion does not help Ford's attempts to be considered one of a high-technology company rather than one offering simple value for money.

BL and General Motors (Vauxhall-Opel) like Ford have further dealer incentives running this month and Datsun UK's first major promotional campaign across its model range paid off last month.

Datsun prices had risen steeply in the past year but the company introduced "on the road" prices over Easter with the result that both the Sunny and the Cherry were in the April top ten.

The pace at which new car sales have been improving slowed a little in April. At 141,443, they were 2.8 per cent higher than in April 1982.

However, the four-month total continued to point to a record year. Registrations for the January-April period at 642,118 were 16.6 per cent up on the 550,796 for the corresponding months of 1982, 20 previous highest four-month

UK CAR REGISTRATIONS

	1983	%	1982	%	1983	%	1982	%
Total UK produced	58,800	41.57	55,749	40.58	277,844	43.27	231,382	42.01
Total imports	82,643	58.43	81,935	59.42	364,262	56.73	319,414	57.99
Total market	141,443	100.00	137,684	100.00	642,118	100.00	550,796	100.00
Ford*	37,570	26.56	34,652	25.13	197,200	30.71	174,216	31.43
BL	26,514	18.75	24,710	17.92	117,239	18.26	93,468	16.97
General Motors* (Vauxhall-Opel)	18,796	13.29	21,061	15.27	86,997	13.55	65,610	11.91
Peugeot-Talbot*	5,488	3.88	5,991	4.28	20,067	3.13	26,700	4.85
Datsun	11,061	7.82	8,146	5.91	30,723	4.78	30,348	5.51
Volkswagen-Audi	7,251	5.13	7,754	5.62	30,009	4.69	31,707	5.76
Renault	6,233	4.41	6,872	4.99	24,913	3.88	25,312	4.60
Volvo	4,767	3.37	4,059	2.94	23,746	3.70	18,902	3.43
Fiat-Lancia	4,371	3.09	6,395	4.64	17,127	2.67	19,261	3.52

* Includes cars assembled on the Continent but in the UK total.

† Imports from all sources including cars from Continental plants of UK-based companies.

Source: Society of Motor Manufacturers and Traders

Health services to be reviewed

BY GARETH GRIFFITHS

THE Department of Health and Social Security wants management consultants to bid for a review of family practitioner services. These cover general practitioners, dentists, pharmacists and optical services.

Mr Kenneth Clarke, the Health Minister, said that tenders would be invited soon from selected companies.

The running costs of the services this year will be more than £50m. Mr Clarke said that they had not been thoroughly examined for years.

"I think it is now essential to look at the system as a whole

to make sure the best use is being made of new technology and best administrative practice."

The aim of the study would be to recommend a pattern of administration to meet the needs of the public and the medical services efficiently and economically.

Ministers are keen to look at ways in which Health Service management can be improved. An inquiry led by Mr Roy Griffiths, J. Sainsbury's managing director, is due to report by the end of next month. Its aims are to examine the use of

resources and identify what further management issues need pursuing to achieve those aims.

● A private medical cover service involving general practitioners offering home visits was launched in London yesterday by Medicoover, a private company. The annual subscription is £30 for an adult and £15 for children up to 12.

Twenty part time and three full-time doctors visit patients at home, issue private prescriptions and arrange hospital admission or refer patients to specialists.

Mr Cameron Robertson, marketing director of Zenith, said: "If every home was double-glazed Britain could save £1.2bn a year in energy costs."

Double Glazing in Great Britain. £25 from Chilmark Public Relations, 52 Bedford Row, London, WC1R.

some 30 per cent to reduce heat loss, 12 per cent draught reduction, 11 per cent condensation reduction and 7 per cent noise reduction.

The majority of homes with double glazing are in London and the southern counties. The West and South Western regions of England accounted for a small proportion of total annual sales. East Anglia has an exceptionally high level of double glazing.

Mr Cameron Robertson, marketing director of Zenith, said: "If every home was double-glazed Britain could save £1.2bn a year in energy costs."

Double Glazing in Great Britain. £25 from Chilmark Public Relations, 52 Bedford Row, London, WC1R.

Bill was a modest but helpful rationalisation of the law on small charities, some of which had an income of only £1 a year because of the effect of inflation on endowments.

Sir Angus Maude, Conservative MP for Stratford-upon-Avon and for

mer Paymaster-General, has government support and now goes to the Lords.

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Governments 'may clash' over Laker court battle

By Raymond Hughes, Law Courts Correspondent

A CLASH between the British and U.S. Governments, arising out of the collapse of Laker Airways, was forecast in the High Court yesterday.

Mr Peter Scott, QC, said there was a serious possibility that talks between the two countries would fail to resolve their dispute about whether U.S. and anti-trust legislation could be used against the UK airlines alleged to have conspired to drive Laker out of business.

If that were to happen, the UK would consider invoking arbitration procedures in the Anglo-U.S. Bermuda Two civil air agreement.

The U.S., Mr Scott told Mr Justice Parker in the Commercial Court, had rejected the UK Government's suggestion that, in order not to aggravate the dispute, a U.S. grand jury investigation into the Laker affair should be suspended.

The UK contends that the fixing of air fares, which is at the centre of the Laker litigation on both sides of the Atlantic, was governed by Bermuda Two and that the U.S. was in breach of its treaty by invoking its anti-trust law. The U.S. denies any such breach.

Mr Scott, briefed on behalf of the Attorney General, was giving the court the UK Government's views on the public policy issues involved in the Laker litigation, which has already caused friction between the Governments and courts of the two countries.

Mr Justice Parker is to give judgment in two weeks' time on a plea by British Airways and British Caledonian for orders stopping the Laker liquidator interfering with English court proceedings begun by the two UK airlines.

In those actions, the airlines contend that any legal moves against them arising out of the Laker collapse should be in the English courts and nowhere else.

BA and British Caledonian are among the defendants to a \$1.7bn (£1.08bn) damages claim, alleging a conspiracy to destroy Laker in breach of U.S. anti-trust law, started in the U.S. by the liquidator, Mr Christopher Morris, of Touche Ross.

Earlier this week a U.S. judge refused to transfer the case to England saying that, in seeking a transfer, the defendant airlines were trying to take advantage of the UK's "more lenient laws."

Mr Scott intimated that the Government's view was that the Commercial Court should not do anything drastic until the inter-governmental dispute had been resolved.

Facelift for BA airliners

Financial Times Reporter

BRITISH AIRWAYS is spending £850,000 on refurbishing its fleet of 18 BAC One-Eleven airliners, using money saved elsewhere in the European division of the airline.

Dim lighting, open hat-racks and old-style seats on the 10-year-old aircraft are being replaced by large enclosed overhead lockers, white reeling panels, strip lights, red seats, blue carpets and matching side panels.

Mr Peter Hermon, the European division's managing director, said yesterday the One-Eleven fleet was expected to remain a most important part of British Airways' short-haul fleet for some years to come.

Last week the airline announced plans to replace its Trident airliner fleet before the end of 1985, when new noise regulations come into force.

Negotiations will start soon with Boeing, McDonnell Douglas and Airbus Industries about possible replacement airliners, including the McDonnell Douglas DC9 and the Boeing 737.

It was in 1973 that Lion Laboratories began to work on a more sophisticated measuring instrument. The company maintains a policy of pumping up to 12 per cent of its turnover into research and development each year, and one of Dr Jones's research students had come across a reference to a fuel cell, developed at Innsbruck University in Austria, for gas chromatographic analysis of alcohols and aldehydes.

This fuel cell, radically redesigned and miniaturised in one technology at the heart of

Lion's new generation of electrochemical breath-measuring instruments. It converts the alcohol in breath into an electrical voltage, which is amplified to produce a reading which can be displayed in a variety of ways.

The other technology — developed by Intoximeter Incorporated, but manufactured at Lion's headquarters at Barry, South Wales — is based on the infra-red absorption properties of alcohol. These instruments are not only much more accurate than the crystal bags but can be used many times over. In the case of the larger, police station, model, they incorporate a computer to process, print out, and, if necessary, memorise the results.

Again, Lion was forced initially to rely on export markets to get into manufacture. By the time Home Office approval was granted in 1979 to the Lion Alcolometer (the roadside screening instrument), it was already being used by law

enforcement agencies and hospitals in more than 25 foreign countries — including the U.S., Sweden, the Soviet Union, Switzerland and Spain. But Dr Jones reckons that Lion now has up to 90 per cent of this market in the UK, having supplied more than 5,000 such instruments to UK police forces during the past four years.

Two companies have won Home Office approval for the police station test instrument, which became legal yesterday. One is Lion's infra-red gas analyser, the other is produced by Camic Instruments of North Shields.

Having worked flat-out to meet the demands of the new legislation, Lion is now looking to expand its export sales and has 80 employees. Portugal, for example, is equipping itself with the complete Lion product range and moves are afoot in France to amend legislation in the same direction as that in Britain.

Dr Jones is also dusting off

long-standing company plans to diversify into monitoring industrial alcohol. Legislation about drinking and driving has been by no means the company's only source of growth. Casualty departments of hospitals are also important customers. Using the fuel cell principle, Lion has also developed instruments for detecting minute quantities of formaldehyde and ethylene oxide, which can present health and safety hazards in certain circumstances.

But no instrument exists at present for continuous on-line monitoring of alcohol in its many guises during the fermentation process. It has to be done by testing extracted samples at regular intervals.

Lion has already built prototype models for the growing industry and for industrial alcohol manufacture. During the next six months, it plans to make a series of production models and send them out to breweries and other potential customers for evaluation.

LABOUR

Scargill signals shift in NUM strike policy

BY NICK GARNETT, NORTHERN CORRESPONDENT

MR ARTHUR SCARGILL, president of the National Union of Mineworkers, yesterday indicated that the union could move away from its policy of calling for national strikes over pit closures to one of crippling a selected number of the most economic pits.

Mr Scargill, speaking to delegates from the NUM's northern areas, said that if the National Coal Board wanted to close 30 of the most uneconomic pits the union should ask those in the 30 most profitable pits to strike.

Their pay would be subsidised by a levy on the rest of the union's membership who were still working. "We can keep a war of attrition going for a year or two years and the Coal Board that, although the miners had not been prepared to take up the cudgel last October or in February, it would be a mistake of the first order to believe our industry will sit idly by and see the mass murder currently being projected in the mining industry."

Mr Scargill referred in his speech to the "rapid butchery" of the mining industry and warned the Government and the Coal Board that although the miners had not been prepared to take up the cudgel last October or in February, it would be a mistake of the first order to believe our industry will sit idly by and see the mass murder currently being projected in the mining industry."

Mr Scargill said.

This change in tactics would be a form of retreat from the previous approach to pit closures, which has caused the union's executive considerable embarrassment. Twice in the last year the membership has

voted again national strikes over this issue.

Mr Scargill made it clear that "the most profitable pits" he had in mind were Selby in North Yorkshire and those in Nottinghamshire and other parts of the Midlands. At the new Selby field, just 4,500 miners will eventually produce a twelfth of the Coal Board's current total output.

The idea of using the least vulnerable in the union to assist the most vulnerable will probably be included as a proposition in Mr Scargill's presidential address to the NUM's annual conference in July.

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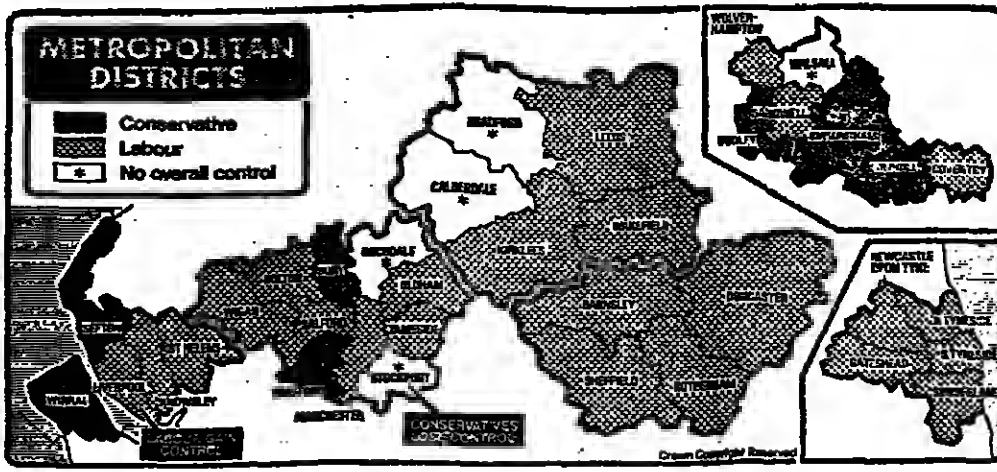
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UK NEWS: ELECTION ANALYSIS

Sharpening the great North-South divide

Robin Pauley examines the lessons for the parties after Thursday's polls



THE COUNCILS THAT CHANGED HANDS

- To C. from Lab.: Cardiff.
- To C. from Ind.: Mendip.
- To C. from None: Congleton, Daventry, Great Yarmouth, Kingswood, Reading, South Hams, South Kesteven, South Wight, Tamworth.
- To Lab. from C.: Redditch, Slough.
- To Lab. from None: Blackburn, Durham, Liverpool.
- To Ind. from None: Teignbridge.
- To None from C.: Brighton, Carrick, Eastleigh, Fenland, Hart, High Peak, Maldenstone, Northampton, Scarborough, Stockport.
- To None from Lab.: Allerdale, Bristol, Great Grimsby, N.W. Leicestershire, Worcester.
- To None from Ind.: Arfon, Babergh, Wyke.
- To None from Lab.: Adur.
- To Alliance from C.: Chelmsford.

THE LOCAL elections on Thursday produced just what some of the political parties wanted: a patchy and inconsistent result which begged more questions than it answered.

The Conservatives held onto Birmingham, the most politically significant council in these elections, but failed to make the dramatic advances it had been hoping for as a decisive signal that the electorate was solidly behind the Government's policies. The Tory lead was several points lower than the opinion polls had indicated.

Labour had some very bad results—notably the failure to capture Reading—but gained an unexpected prize in Liverpool and made solid advances throughout the North of England, heightening the impression of a North-South political divide.

The Alliance lost Liverpool and Adur but unexpectedly took Chelmsford; the Liberals made further steady consolidation in its strong areas. The party polled around 23 per cent of the vote nationally, which is a solid third-party base, but far short of the Alliance's ambitious and seemingly unattainable short-term targets.

The independents had a disastrous election, with voters appearing to reject single-issue (rate) or political candidates for this year at least—and returning to the major political parties.

The key elections were in the 36 English metropolitan districts, where the most notable feature was the lack of changes—only two councils, Liverpool and Stockport, changed control.

Labour remains firmly in control of most of the major urban areas of England but the most significant area in the West Midlands, which is full of marginal seats crucial to whichever party is going to win a general election.

Labour not only failed to retake Birmingham, lost to the Tories last year at the height of the Falklands War and strong support for the Tory Government, but it also failed to take over the hung council of Walsall.

Admittedly, retaking Birmingham would have needed a 6 per cent swing to Labour. Nevertheless, these two failures are a severe setback to the party's electoral prospects in the country's heartland, where high unemployment and the ravages

of the recession ought to have given them substantial gains.

The failure to win hung councils in other metropolitan areas—Bradford, Calderdale and Rochdale (where only one seat was needed)—compounds the lack of success for Labour in the polls. Their gains outside the metropolitan areas were confined to Blackburn, Redditch, Slough and Durham.

Their losses included Cardiff, Bristol, Great Grimsby, North-West Leicestershire and Worcester. (The Bristol voting patterns suggest Mr Tony Benn could face a very tough fight to get back to Parliament as the Tories outvoted Labour, although not heavily enough to win outright control.)

In Reading, which was hung, the boundary changes worked to Labour's advantage. Yet, not only did the party fail to take control, it also failed to poll enough votes to keep it hung. The Tories gained an unexpected bonus.

Labour consolidated heavily in the North and in doing so demonstrated once again that with the occasional exceptions in a few London boroughs, rates are not an issue in most local elections. Labour increased its majority in Newcastle upon Tyne, the most heavily-rated city in the country.

The Tories' losses are more difficult to explain than their dramatic wins

and where Alliance hopes had been high. On Tyneside generally, rate increases were very high on Thursday against that background.

In Wales, the Labour vote held up but did not produce the level of gains hoped for by the party. However, where the Labour vote was eroded it was to the benefit of Plaid Cymru, who improved their positions in the valley areas and in the Vale of Glamorgan.

The claim by Mr Dafydd Williams, the party's general secretary, that the results would mean at least two parliamentary

gains for the party at the general election, seemed to be rather more optimistic than the results suggest, however. The Alliance performance in Wales remains very weak.

A problem for the Conservatives, apart from their reduced lead over the other parties, lies in the almost-random pattern of their losses. These include Brighton, Eastleigh, Fenland, Hart, Maldenstone, Northampton, Scarborough and Stockport. Many of these areas are rural or small towns, fairly prosperous and traditionally Tory. Their loss is more worrying and difficult for the party to explain than dramatic successes like the capture of Cardiff and Reading.

Although both major parties claimed that the Alliance vote was being squeezed, the fact is that the aggregate vote of the Labour and Tory parties in local polls continues to erode—very slowly but consistently. The Liberals make steady progress despite the bad reverses such as the loss of Adur and the failure to take Chelmsford.

If there was one major lesson for the SDP on Thursday it must be that it sets itself unrealistic targets locally. It is anxious to break the mould of British politics quickly. But it could face a long march to remould politics, at least at the town hall level and building up a strong local structure and organisation on the way may be a vital factor in its chances of success.

The SDP is still badly organised and inexperienced at the local level

The 22 per cent of the vote gained by the Alliance (rising to 25 per cent in the South-east) is enough to return fewer than 20 MPs to Parliament.

The elections produced only about 100 new Alliance council seats, against the 200 hoped for. The SDP is thus in the curious position of almost despairing over a local election result which, by any standards other than their own, is not bad.

The party was cheered by the gain of Chelmsford, which again casts doubt over the safety of Mr Norman St John Stevens's seat. However, Liberals had a great advance on the council in 1979 on the same day as the general election result, produced a swing to Mr St John Stevens.

Chelmsford probably belongs to the small group of results which are "exceptionally odd" and cause the parties such anguish.

The Tory vote dropped 15 per cent, the Alliance rose 15 per cent and Labour stood still.

The Alliance failed to score heavily enough in the Tory heartland of the south-east, although again it picked up more than 20 per cent of the votes.

The area around the M20

The SDP is still badly organised and inexperienced at the local level

towns, where unemployment is rising and dockyard closures are heightening Tory unpopularity, should have been ripe Alliance territory.

Indeed, at one point SDP workers in Gravesham were enthusiastically reporting canvass returns indicating that the world, or at least the council, was theirs for the asking. But the SDP in fact lost one of its two seats and Labour took three Tory seats (new council Con 23, Lab 20, SDP 1).

Apart from the problem of not being able to rock the Conservatives when they are in trouble in their own areas, the

SDP is still badly organised and inexperienced in interpreting what is happening and reacting accordingly. This is causing serious concern at the party's much more sophisticated political HQ in London.

The other problem area for the SDP half of the Alliance is in the North-east, where it is failing completely to make inroads into the moderate Labour heartland. The future of four SDP MPs in the region—Mike Thomas, Bill Rodgers, Ian Wigglesworth and John Horam—look much bleaker after Labour's consistent advance on Thursday. All are Labour Party defectors who remained in place to a Labour seal without being re-elected under their new colours. This was the position also of many of the "SDP" candidates who lost on Thursday.

The biggest losers of the day, however, were the independents, who dropped seats at the rate of about four for every one gained. Independents, most of whom are Conservatives under the surface, fare badly in local polls when major national issues—such as the spectre of an imminent general election—are in the air.

They often fight elections on only one local issue, or on the contention that local issues are apolitical. But their supporters seep back to the major party lines when national issues appear to be predominant.

Comparison of Thursday's results with those of previous years is complicated by the fact that last year, the "Falklands factor" worked to Conservative candidates' favour—although opposition parties and the SDP, in particular, had been high in the opinion polls before the war began.

In addition, many of the elections were held in areas

which voted in 1979 when polling was on general election day, resulting in a very high turnout. Results in 49 of the 369 councils are not comparable at all because ward boundaries have been redrawn. About 20,000 candidates were chasing 12,858 seats. Tories, Labour and Liberal parties won more seats than they lost, the SDP lost a few

more than it gained and independents lost many more than they gained. As in all elections, there were close contests and "no contests." An example of the latter was at Bracknell where the Tories retained their 26 seats, won seven more from Labour and another seven from SDP to become the only party on the council.

Five Scottish councils ordered to cut rates or lose grants

BY KEVIN BROWN

MR GEDRGE YOUNGER, the Secretary for Scotland, yesterday ordered five high-spending local authorities to make big rate reductions or face cuts in grants from central government. Mr Younger also made clear that he will enforce cuts across the board in grants to all Scottish authorities, unless total local authority expenditure in this financial year is cut by £121m from its projected level of £2,800m.

The five authorities named as the most excessive spenders are Lothian Regional Council (instructed to cut rate demands by 8p), Glasgow District Council (5p), Kirkcaldy District Council (3p), Stirling District (3p) and the Shetland Islands Council (15p).

All five yesterday received from the Scottish Office letters of instruction to make the reductions by June 6. If they were to refuse, Mr Younger would ask parliament to approve statutory rate reductions, cuts in rate support grants, or both.

The Scottish Office pointed out yesterday that the Secretary of State's power to cut grants across the board could hit hardest those authorities considered to be the worst offenders.

The Convention of Scottish Local Authorities was unsure what the implications of Mr Younger's threat of a general grant abatement would be, particularly for authorities other than the five named. The Scottish Office did not state the excess expenditure by the five councils in cash terms, so detailed arithmetic was necessary for the convention to work out how much of the desired reduction might have to be achieved by the rest of the country. Do the basis of the rate reductions demanded, the excess amounts to £15.6m by Lothian, £9.8m by Glasgow, £1.15m by Kirkcaldy, £600,000 by Stirling and £3.7m by Shetland—a total of £30.55m. Mr Graham Spiers, secretary of the convention, said Mr Younger's action was surprising because the average Scottish domestic rate rise has been less than 1p in the £ this year.

How they voted on Thursday

Continued from previous page

STAFFORD (None): C 20, Lab 18, Lib 6, Ind 5. Lab gained 3 from C, Lab gained 1 from C. NO CHANGE

STAFFORDSHIRE MOORLANDS (None): C 22, Lab 13, Ind 8, Ratsayers 1. C gained 1 from Lab and 2 from Ind, Lab gained 1 from others. NO CHANGE

STEVENSAGE (Lab): C 1, Lab 5, Lib 2, SDP 1. C gained 1 from Lab, New council: C 2, Lab 27, Lib 5, SDP 5. NO CHANGE

STOCKTON-ON-TEES (Lab): Lab 28, C 20, SDP 1. C gained 3 from Lab, 1 from Lib, 1 from SDP. NO CHANGE

STOKES-ON-TRENT (Lab): Lab 20, C 1. New council: Lab 57, C 3. NO CHANGE

STRATFORD-ON-AVON (C): C 15, Lib 1, Ind 4. C gained 1 from Ind, New council: C 38, Ind 12, Lab 3, Lib 4. NO CHANGE

STROUD (C): C 30, Ind 13, Lab 7, Lib 6. Boundary changes. NO CHANGE

SUFFOLK COASTAL (C): C 44, Ind 5, Lab 2, others 4. C gained 1 from Ind, 4 from others. NO CHANGE

SURREY HEATH (C): C 35. C gained 1 from SDP. NO CHANGE

SWALE (C): C 15, Lab 2, SDP 2, Lib 1. C gained 3 from Lab, SDP gained 1 from Lab, New council: C 31, Lab 13, SDP 2, Lib 2, others 1. NO CHANGE

TAMWORTH (None): C 7, Lab 2, C gained 2 from Ind, 1 from Lab, C gained 1 from Lib. C GAIN CONTROL

TANDRIDGE (C): C 14. C gained 1 from Lib, New council: C 37, Lab 2, Lib 2, Ind 1. NO CHANGE

TANTON DEAN (C): C 32, Lab 10, SDP 1, Ind 1. C gained 1 from Lab, 4 from Ind and 1 from SDP, Ind gained 1 from C. NO CHANGE

TEESDALE (Ind): Ind 28, Lab 3. Boundary changes. NO CHANGE

TEIGNBRIDGE (None): C 19, Lab 3, Lib 5, Ind 31. Lab gained 2 from C and 1 from SDP. IND GAIN CONTROL

TEST VALLEY (C): C 34, Lab 1, Lib 4, Ind 5. C gained 2 from Lib, Ind gained 1 from C, Lib gained 2 from Lab. NO CHANGE

TENNESBURRY (None): Ind 29, C 13, SDP 2 (1 vacant). Boundary changes. NO CHANGE

THAMESDOWN (Lab): Lab 9, C 7, Ind 1. C gained 2 from Lab, New council: Lab 30, C 16, Lib 2, Ind 1. NO CHANGE

THANE (C): C 28, Ind 16, Lab 5, Lib 1, SDP 1. C gained 5 from Ind, 1 from Lib, Ind gained 5 from C, Lab gained 3 from

C. Lab gained 1 from C. NO CHANGE

THREE RIVERS (C): C 9, Lab 5, Lib 4. Lab gained 1 from C, C gained 2 from C, C gained 2 from Lib, 1 from SDP. NO CHANGE

THURROCK (Lab): Lab 5, C 5, Ind 1. Lab gained 1 from C and 1 from Ind, New council: Lab 23, C 10, SDP 1, Ind 2. NO CHANGE

TONBRIDGE AND MALLING (C): C 11, Lab 4, Lab 1. C gained 1 from Lab, Lab gained 1 from C. NO CHANGE

TORRIDGE (Ind): Ind 28, C 3, Lab 1, 1 vacant. C gained 1 from Lib and 1 from Ind. NO CHANGE

TUNBRIDGE WELLS (C): C 15, SDP 1, Lib 1, Ind 1. SDP gained 1 from C, Lib gained 1 from C, C gained 1 from Lab and 2 from Ind, New council: C 43, Lib 2, SDP 1, Ind 1, Lab 1. NO CHANGE

TYNEDALE (None): Ind 16, C 12, Lib 12, Lab 7. Lab gained 2 from Ind and 1 from Lab, C gained 4 from Ind, Ind gained 2 from Lab and 2 from C. NO CHANGE

UTTLESFORD (C): C 28, Lib 6, Lab 1, Ind 7. Lab gained 1 from C, C gained 1 from Lab and 1 from Ind. NO CHANGE

VALE ROYAL (None): C 30, Lab 22, Lib 1, SDP 1, Ind 1. C gained 1 from Lib, 1 from SDP and 2 from Ind, Lab gained 1 from Ind, 1 from C and 1 from SDP, Lib gained 1 from Ind and gained 2 from C. NO CHANGE

WANSBEC (Lab): Lab 35, Lib 10, Ind 1. Lib gained 6 from Lab, Lab gained 1 from Lib and 1 from SDP. NO CHANGE

WANSBEC (C): C 33, Lab 11, Ind 3. C gained 8 from Lab, Ind and 1 from Ind, Lab gained 1 from Ind. NO CHANGE

WARRINGTON (Lab): Lab 38, C 22, SDP 2. Lab gained 5 from C, 1 from Ind, C gained 1 from Lab, 1 from SDP. NO CHANGE

WARWICK (C): C 31, Lab 7, Lib 4. Boundary changes. NO CHANGE

WATFORD (Lab): Lab 7, C 5. C gained 1 from Lab, C gained 1 from Ind, Lab gained 1 from Ind. NO CHANGE

WAVERTON (C): C 45, Lab 2, Ind 5, Lib 4. Boundary changes. NO CHANGE

WEALDEN (C): C 48, SDP 2, Ind 2, others 6. Boundary changes. NO CHANGE

WEAR VALLEY (Lab): Lab 28, Ind 5, C 2, Lib 2, others 2. Boundary changes. NO CHANGE

WELLINGBOURGH (C): C 18, Lab 12, Lib 1, Ind 3. NO CHANGE

Boundary changes. NO CHANGE

WELWYN HATFIELD (Lab): C 9, Lab 7, C gained 1 from Lab, New council: C 18, Lab 24. NO CHANGE

WEST DEVONSHIRE (C): C 27, Lib 5, Lab 2, Ind 4 (one vacant). C gained 4 from Lib and 1 from Ind, Lab gained 1 from Ind. NO CHANGE

WEST DEVON (Ind): Ind 16, C 10, Lib 1. C gained 2 from Ind, Lab gained 1 from Ind, Ind gained 3 from C. NO CHANGE

WEST DORSET (Ind): Ind 33, C 12, Lib 7, Lab 2. Boundary changes. NO CHANGE

WEST LANCASHIRE (C): C 12, Lab 7, Ind 2. C gained 1 from Lab, New council: C 31, Lab 20, Ind 3. NO CHANGE

WEST LINDSEY (None): Lab 1, Lib 3, Ind 6, C 4. C gained 1 from Lib, New council: C 10, Lab 2, Lib 10, SDP 1, Ind 14. NO CHANGE

WEST OXFORDSHIRE (C): C 7, Lab 2, Ind 5. Lab gained 1 from C, C gained 1 from Lib, New council: C 25, Ind 14, Lab 5, Lib 4, SDP 1. NO CHANGE

WEST SOMERSET (Ind): Ind 27, C 4, SDP 1. C gained 2 from Ind. NO CHANGE

WEST WILTSHIRE (C): C 39, Lab 4, Lib 2, SDP 2, Ind 2. Boundary changes. NO CHANGE

WEYMOUTH AND PORTLAND (None): C 5, Lab 5, Ratsayers 1. Lab gained 2 from Ratsayers, C gained 1 from Ind, New council: C 16, Lab 12, Ind 3, Ratsayers 4. NO CHANGE

WIMBORNE (C): C 27, Lib 3, SDP 1, Ind 3, Ratsayers 2. Boundary changes. NO CHANGE

WINCHESTER (C): C 17, Lab 1, Ind 1. C gained 3 from Ind. NO CHANGE

WINDSOR AND MAIDENHEAD (C): C 48, Lab 6, R 3, Ind 1. Lab gained 1 from C and 1 from Lab. NO CHANGE

WOKING (C): Lab 3, C 7, Lib 3, Ind 12. C gained 2 from Ind, New council: C 21, Lab 8, Lib 6, SDP 1, Ind 5. NO CHANGE

WOKINGHAM (C): C 18, Lab 2, New council: C 45, Lib 7, Lab 1. NO CHANGE

WOODSPRING (C): C 18, Lab 1, Lib 1, Ind 2. New council: C 47, Lab 4, Lib 2. NO CHANGE

WORCESTER (Lab): Lab 5, C 8. C gained 3 from Lab, New council: Lab 18, C 18. LAB LOSE OVERALL CONTROL

WORTHING (C): C 24, Lib 12. Boundary changes. NO CHANGE

WREKIN (Lab): C 7, Lab 28, Ind 6. Lab gained 3 from C, 3 from Ind and 1 from Lib. NO CHANGE

WYCHAMON (Ind): Ind 22, C 17, Lib 5, Lab 3, SDP 1 (1 vacant seat). C gained 1 from Ind, Lib gained 3

from Ind, SDP gained 1 from others. INDEPENDENT LOSE CONTROL

WYCOMBE (C): C 50, Lab 6, Ind 3, Lib 1. Boundary changes. NO CHANGE

WYRE (C): C 46, Lab 5, Lib 2. C gained 2 from Ind, 3 from SDP, 1 from Lab and 1 from Lib, Lab gained 1 from C and 2 from SDP. NO CHANGE

WYRE FOREST (None): C 8, Lib 4, Lab 1. C gained 2 from Lib, Lab gained one from Lib, New council: C 18, Lib 14, Lab 7, Ind 3. NO CHANGE

YEovil (None): C 20, Lab 1, Lib 24, SDP 3, Ind 12. C gained 5 from C, 2 from Ind, SDP gained 2 from Ind. NO CHANGE

YORK (None): C 7, Lab 6, Lib 2. C gained 1 from Lib, Lab gained 2 from Ind, Lab gained 1 from Ind, New council: C 18, Lab 17, Lib 10. NO CHANGE

Wales

ABERCONWAY (Ind): Ind 21, C 12, Lab 7, Lib 1. Lab gained 2 from C and 1 from Ind, Ind gained 1 from Ind. NO CHANGE

AFAN (Lab): Lab 24, Ratsayers 7. Boundary changes. NO CHANGE

ALYN AND OESBIE (None): Lab 22, C 13, SDP 4, Ind 4, Ratsayers 1, Lib 1. Lab gained 1 from Lib, 1 from Ratsayers and 1 from Lib, SDP gained 2 from Ind. NO CHANGE

ARFON (Ind): Lab 12, Lib 2, PC 11, Ind 15. PC gained 3 from Ind, Lab gained 3 from Ind, Lib gained 1 from Ind. IND LOSE CONTROL

BLAENAU GWENT (Lab): Lab 37, PC 2, C 1, Lib 1, R 2, Ind 3, Ind 4. Lab gained 3 from R, 1 from Lib, 1 from Ind. NO CHANGE

BRECKNOCK (Ind): Ind 33, Lab 16, Lib 1, 1 vacant. Lib gained 1 from Ind. NO CHANGE

CARDIFF (Lab): C 34, Lab 28, Lib 3. Boundary changes. C GAIN CONTROL

CARMARTHEN (Ind): Ind 28, Lab 6, Lib 2. Lab gained 1 from PC and 1 from Ind. NO CHANGE

COLWYN (None): Lab 12, C 10, Lib 1, Ind 15. Ratsayers/Residents 2. Boundary changes. NO CHANGE

CYNNAL VALLEY (Lab): Lab 28, PC 6, Ind 5, Comm 1. PC gained 3 from Lab, Ind gained 1 from SDP. NO CHANGE

DELYN (None): C 4, Lab 18, Lib 3, Ind 15, PC 2. Ind gained 1 from Lab and 1 from Lib. NO CHANGE

DWYFOR (None): PC 4, Ind 25. NO CHANGE

DINEPWR (Lab): Lab 17, Ind 11, PC 4. Lab gained 1 from Ind. NO CHANGE

GLYNDAWR (Ind): Ind 37, Lab 2, Ind 1. Lab gained 1 from Ind. NO CHANGE



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Transvaal Consolidated Land and Exploration Company, Limited

(Incorporated in the Republic of South Africa)

A member of the Barlow Rand Group

INTERIM REPORT FOR THE HALF-YEAR ENDED 31ST MARCH, 1983

The unaudited consolidated results of Transvaal Consolidated Land and Exploration Company, Limited ("TCL") and its subsidiaries for the half-year ended 31st March, 1983, together with those for the comparable period last year and the audited results for the year ended 30th September, 1982, are set out below:

	Half-year ended 31st March 1983	Half-year ended 31st March 1982	Year ended 30th Sept. 1982
Turnover	See note	228 176	423 826
Consolidated operating profit	61 446	58 606	117 479
Profit/(Loss) on sale of shares less amounts written off	2 817	(93)	997
Dividends from investments	11 894	7 062	14 001
Less: Exploration expenditure	76 067	66 575	132 477
	2 624	3 052	5 813
Consolidated profit before taxation	73 443	63 523	126 664
Taxation	28 587	28 068	53 867
Normal	5 835	8 972	5 053
Deferred	23 022	19 086	48 804
Consolidated profit after taxation	44 589	35 465	72 807
Less: Profit attributable to outside shareholders in subsidiary companies	7 122	8 918	18 460
Interest of members of TCL	37 464	26 547	54 347
Shares in issue	11 210 756	8 630 756	8 630 756
Earnings per share	378c	308c	630c
Dividends per share	75c	75c	280c

* Based on weighted average of 9 920 756 shares in issue. Earnings per share based on 11 210 756 shares in issue at 31st March, 1983 were 334 cents.

Notes:
Turnover is the revenue derived by subsidiary companies from rents, township sales and sales of gold, coal, base minerals and timber.

Acquisition of Mining-related Business of Rand Mines, Limited
In terms of various agreements which were ratified by members at the general meeting held on 21st March, 1983, TCL acquired the mining-related business of Rand Mines, Limited with effect from 1st January, 1983, in exchange for the issue and allotment of 2 500 000 shares in TCL. Profits from these operations for the 3 months ended 31st March, 1983 amounting to R5 087 000 included in the above results were in line with expectations.

Borrowings
Particulars of the borrowings and other indebtedness of TCL and its subsidiaries were as follows:

	31st March 1983	31st March 1982	30th Sept. 1982
Long term	(R000's)	(R000's)	(R000's)
Short term	142 176	110 395	152 789
	22 069	29 056	14 888
Total	164 245	139 451	167 687

Interim dividend
An interim dividend of 75 cents (1982: 75 cents) per share has been declared in terms of the dividend notice set out below.

Profit prospects
Softening coal export markets, difficult trading conditions for base minerals and a volatile gold price make it extremely difficult to forecast profits for the year to 30th September, 1983, but is nevertheless expected that earnings per share for the current financial year will show an improvement on those of last year.

Listed investments
Arising from the transaction referred to above TCL acquired with effect 1st January, 1983 a portfolio of listed investments with a market value at that date of R35 313 000. The values of the group's listed investments including the listed investments referred to above were as follows: (market values are based on prices listed on The Johannesburg Stock Exchange)

	31st March 1983	31st March 1982	30th Sept. 1982
—Market value	238 750	103 968	150 800
—Book value	144 981	55 358	55 495
Investments in listed subsidiaries not included above	315 470	350 501	351 490

Proposed capital expenditure and commitments
Capital expenditure during the half-year amounted to R55 million (1982: R67 million). Capital expenditure commitments contracted for amount to R58 million (1982: R51 million). Capital expenditure for the remainder of the financial year is estimated at R73 million (1982: R54 million).

For and on behalf of the board
R. S. Lawrence (Chairman)
D. T. Watt (Deputy Chairman) Directors

DECLARATION OF DIVIDEND NO. 87

Notice is hereby given that dividend No. 87 of 75 cents per share has been declared in South African currency, as an interim dividend in respect of the year ending 30th September 1983, payable in members registered in the books of the company at the close of business on 27th May 1983 and to persons presenting the appropriate coupon (No. 88) detached from a share warrant to bearer. The dividend on a share warrant to bearer will be paid in terms of a further notice to be published by the company's United Kingdom Secretaries on 3rd June 1983. The register of members will be closed from 28th May to 5th June 1983, inclusive, and dividend warrants will be posted on or about 4th July 1983.

The rate of exchange at which the dividend will be converted into United Kingdom currency for payment by the United Kingdom Registrars and Transfer Agents will be the telegraphic transfer rate of exchange between Johannesburg and London ruling on the first business day after 28th May 1983 on which foreign currency dealings are transacted.

Where applicable South African non-resident shareholders' tax of 15% will be deducted from the dividend.

The full conditions of payment of this dividend may be inspected at or obtained from the offices of the company in Johannesburg or in the United Kingdom.

By order of the board
R. S. Lawrence (Chairman)
D. T. Watt (Deputy Chairman) Directors
Registered Office:
15th Floor
61 Fox Street
Johannesburg 2001
(P.O. Box 82370, Marshalltown 2107)
United Kingdom Registrars and Transfer Agents:
Charter Consolidated P.L.C.
P.O. Box 102
Charter House, Park Street
Ashford, Kent TN24 8EQ
6th May 1983

Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 years.
Interest paid gross, half-yearly. Rates for deposits received not later than 20.5.83 are fixed for the terms shown:

Term (years)	3	4	5	6	7	8	9	10
Interest %	10 1/4	10 1/2	10 3/4	11	11 1/4	11 1/2	11 3/4	12 1/4

Deposits to and further information from the Treasurer, Finance for Industry plc, 91 Victoria Road, London SW1 6XR (01-423 7223 Ext. 307). Cheques payable to "Bank of England, a/c FFI".
Finance for Industry plc

Today's Rates 10 1/2% - 11 1/4%

U.K. CONVERTIBLE STOCK 7/5/83

Name and description	Size (£m)	Current price	Terms*	Conversion dates†	Flat yield	Red yield	Premium‡	Income	Cheap (+) Dear (-)§
British Land 12pc Cv 2002	9.60	299.00	333.3	80-97	4.0	0.9	5.5	-3 to 8	30.2
Hanson Trust 9pc Cv 01-06	81.54	188.00	107.1	85-01	5.2	3.4	-4.1	-8 to 7	117.5
Slough Estates 10pc Cv 87-90	5.03	242.50	234.4	73-94	4.2	-3.3	-8 to -0	18.1	9.6
Slough Estates 8pc Cv 91-94	24.72	112.50	97.5	80-89	7.3	6.4	7.8	3 to 12	29.5

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month rates. § Income on number of ordinary shares in convertible stock. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible stock. The time conversion date whichever is earlier. Income is assumed to be paid at 10 per cent per annum and a present value of 12 per cent per annum. ¶ Income on £100 of convertible stock is summed until conversion and present value of 12 per cent per annum. † This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ‡ The difference between the premium and income difference as a percentage of the value of the underlying equity. + is an indication of relative cheapness, - is an indication of relative dearthness. § Second date is assumed date of conversion. This is not necessarily the last date of conversion.

THE WEEK IN THE MARKETS

Equities stay off the boil

LONDON

ONLOOKER

The cautionary mood that overtook the London market two weeks ago has finally spread across the Atlantic to Wall Street. While the City was away enjoying its Bank Holiday break, this U.S. market, which had for so long led the way forward, sending the Dow Jones Index surging from peak to peak, came to an abrupt halt.

As a result, when trading started on Tuesday the enthusiasm for equities had drained away and it was left to gluts to make a comeback to the bright lights. After the latest pre-tax outcome for 1983 of about £270m, the total dividend was raised 10 per cent to 5.1p net, with a final payment of 3.25p.

M & S pace eases

A substantial increase in wage costs and higher stock market prices following last year's poor summer weather meant Marks and Spencer's 1982 profits advanced did not quite match sales. Overall volumes were up by 11 per cent, while pre-tax profits rose 7.5 per cent to £239.5m, or about 10 per cent adjusting for the extra week in the previous financial year. An 18 per cent rise in the wage bill reflected a 2,800- or 7 per cent increase in staff numbers and a generous pay settlement.

The sales advance was led by the housewares department, with volume increases of 24 per cent, while clothing was up 8 per cent and food 11 per cent. Marks' concentration on middle-class customers who tend to have mortgages means it is well placed to take advantage of the impact of falling inflation and interest rates on that group's spending patterns. However, the increase in consumer spending during the period has been more biased towards durables, which Marks does not sell, so its volume increase points to another gain in market share. The sales performance also reflects the disarray of some of Marks' High Street competitors.

The group now holds an estimated 3.5 per cent of all UK food sales, a position which is strong enough to put real pressure on its suppliers. The rapid advance of housewares coupled

with a greater emphasis on service should allow Marks to continue to encroach on its rivals. In the current year, Marks is reinvesting its costs and has been slightly less generous to employees. Meanwhile, volumes continue to surge ahead, indicating a pre-tax outcome for 1983 of about £270m.

The total dividend was raised 10 per cent to 5.1p net, with a final payment of 3.25p.

Gresham Street guru

S. G. Warburg, that doughty defender of corporate causes, has had a busy time this last week with no less than five clients reaching important, often decisive, stages in takeover bids.

The bank has been building ramparts around Sotheby Parke Bernet, Thomas Tilling, Johnson Group Cleaners, Percy Bilton and House of Fraser. It stands Warburg's reputation after these last four hectic days? Is the warship still pristine or has it clipped a little?

First out of the hat was the auction house. The surprise decision by Lord Cockfield to refer the bid by the two Americans who run General Felt Industries to the Monopolies Commission for reasons of public interest excited as much if not more comment than the first arrival of Messrs Cogan and Swid in Bond Street ever did. GFI looked to be very powerfully placed to secure control of this valuable national asset before the Minister's sudden intervention so should we score a point for Warburg or call Sotheby's defence a confused draw?

The defence of Thomas Tilling against the £600m bid from BTR still has a long way to go but the industrial conglomerate certainly made some punches count and pulled back much of the points lead the bidder had already built up.

Tilling is going to have a fabulous year in 1983. Its profits will soar, its forecasts, from £43.7m to something in the region of £95m against the

previous best of £81.1m for 1979. Earnings will go even better and the dividend will go up by a fifth. Equally important, Tilling's share price took heart from these predictions and now enjoys comfortable headroom against BTR's terms.

On to Percy Bilton where Warburg defended the property and building group against a highly geared £100m plus offer from Trust Securities. The bank barely broke a sweat during this campaign, not even deigning to produce forecasts or a property revaluation. The attack attracted such a miserly level of acceptance that the defence can surely claim a walkover.

For Johnson Group Cleaners, Warburg was back with the merger authorities. The Monopolies and Mergers Commission had looked long and hard at the rival bids for the dry cleaning and garment hire group from Initial and Sunlight Services. It concluded that a bid by either would be against the public interest—neatly defined on this occasion, at least, as a concentration of power and loss of competition, at least, as a concentration of power and loss of competition in a specific

market place. A draw perhaps since the Trade Minister had the final say or maybe points to Warburg for effort in view of the reams of information which a financial advisor must dig up for any client undergoing a monopolies reference.

Last but by no means least is House of Fraser. Events at the latest extraordinary meeting and confrontation between the board and Lomrho are reported elsewhere in this paper. But Warburg has been in this fight so long that it knows that, win or lose, this time the campaign will inevitably drag on further.

Royal Bank slips

The Royal Bank of Scotland has found the first financial year after the trauma of takeover threats a tough one. Pre-tax profits for the half year to March fell by a disappointing 28 per cent to £30.9m. That was well below market expectations of an improvement on last year's £45.1m and the share fell 13p to 224p on the news.

The biggest surprise was the jump in Royal Bank's bad debt provision by £10.3m to £24.5m. It has been hit worse than most on the domestic front because of its concentration of corporate business in Scotland and in the economically depressed areas of the North West and Midlands through its English arm Williams and Glyn.

The second disappointment already disclosed was the fall in profits from the finance house Lloyds and Scottish from £5.3m to £1.2m—where Royal Bank has a 39 per cent stake. The group's reliance on wholesale funds has increased until they now account for almost half of its total funding base. This is proving costly as lending margins have been diminished whenever interbank rates have risen significantly above base rates, a frequent occurrence in recent months.

The tightness of margins means that Royal Bank's interest income of £522.2m is almost the same as last year despite the bank's 24 per cent increase in total assets. Royal Bank has been looking forward to reaping the benefits of a full integration with Williams and Glyn in cost efficiencies and strengthened services but they seem to be taking a long time to come through. Overheads, for example, rose sharply in the first half, although staff costs have been contained to a modest 10 per cent increase. Royal Bank often turns in a better second half. The 7 per cent increase in the dividend gives an 8.4 per cent prospective yield. Some recovery is likely but forecasts which were averaging at 297m have been brought down to around £78.9m.

MARKET HIGHLIGHTS OF THE WEEK

	Price	Change	1983	1983	Special situations feature
F.T. Ind. Ord. Index	694.4	-0.9	699.0	598.4	Stock shortage
F.T. Gold Mines Index	653.6	+39.9	734.7	531.5	Profit-taking
Bellair Cosmetics	145	-53	210	17	Newsprint price rise
Bowater	190	+18	200	153	Wolv. & Dudley bid may lapse
Davenport Brewery	270	-47	317	208	Annual results
Garnar Booth	92	+17	92	60	£14.87m rights issue
Hawley	165	-14	185	109	Harrods demerger sit./bid hopes
House of Fraser	200	+18	202	150	Profit-taking
ICI	448	-22	490	350	Bids for co. vetoed
Johnson Cleaners	300	-33	348	282	USAF leasing agreement
Mountheigh	210	+42	215	112	Minority bid from News Corp.
News Int. (Special Div.)	218	+45	223	108	Interim results disappoint
Royal Bank of Scotland	125	-13	141	115	Canadian drilling report
Sabina Inds.	95	+39	95	13	U.S. bid referred
Sothebys	440	-70	533	410	Hopes of increased BTR bid
Tilling (T.)	211	+21	211	118	Fears of bid referral
Trident TV A	86	-13	104	64	Lack of support
Trusthouse Forte	779	-14	196	150	Prop. revaluation disappoints
Warnford Inv.	330	-49	390	330	

† Price at suspension.

The way the bull bounces

NEW YORK

RICHARD LAMBERT

IT HAS been a week of solid achievement on Wall Street. It has been the warm glow that continues to come from the bond market. The U.S. Treasury undertook one of its massive refunding exercises, and sold \$15bn worth of notes and bonds in a three day spurge which ended on Thursday.

The whole thing went swimmingly—and was capped off on Thursday with the sale of a trache of 29½ year bonds at an average yield of 10.29 per cent that was down from just over 11 per cent at the last auction of comparable bonds, which took place in February, and was the lowest yield at such

an auction since the spring of 1980. The market's renewed hopes for a downturn in interest rates reflected in the utilities sector. Prices there had been flagging through much of March and April, but have recovered smartly in the past week or two.

Elsewhere, there has been much excitement in the transportation sector, with the Dow Jones transportation average climbing by 4 per cent over the week. The airline stocks have been doing better, with the leading carriers starting to report a better trend in passenger volumes and yields. The

big stars have been the railroad stocks.

Closely geared to the level of industrial activity, they are expected to be among the earliest gainers from an economic upturn. Some of the big broking houses have been boosting this idea hard. Goldman Sachs, for instance, recommended Union Pacific this week, while Oppenheimer raised its profit forecasts for Norfolk Southern and CSX.

Their arguments have been supported by this week's batch of economic indicators. Factory orders rose by more than

3 per cent in March, to a level which was 8 per cent above last October's low point.

And spring is at last putting in an appearance at the motor car show rooms. After a lacklustre first quarter, retail sales of domestically manufactured cars rose by around 15 per cent in April compared with a very poor performance 12 months earlier.

For companies in general, the first quarter profits reporting season is drawing to a close—but there was a sting in the tail on Wednesday, when Eastman Kodak produced figures which were a lot worse than Wall Street had been expecting.

MONDAY 1294.33 -21.97
TUESDAY 1298.01 +3.68
WEDNESDAY 1272.45 -15.56
THURSDAY 1219.72 -52.73

Running hard and standing still

THE WORLD'S mining companies have been running hard over the past couple of years, and still going backwards.

Many of the leading groups, especially in the field of base metals, have reported losses, some for the first time in their histories, and shareholders have suffered as dividend payments have been pared to the bone in an attempt to conserve strained cash balances.

It now seems that the economies of the major industrialised countries, led by the U.S., have taken a small turn for the better, and the benefits of this will flow through to the metal producers in due course.

Consequently, there are one or two signs of optimism around, although no-one is going overboard with enthusiasm. One of the beneficiaries of higher metal prices will be CRA, the Australian arm of the London-based international mining and finance house Rio Tinto-Zinc.

CRA's chairman, Sir Roderick Carnegie, told this week's annual meeting in Melbourne that 1982's profits should be comparable with those recorded in 1981—which may still sound like running hard just to stand still, but at least represents an improvement on going backwards.

Last year was definitely a retrograde step for CRA. The group staged a strong recovery to profits in the second half, but this was not sufficient to wipe

out the big losses of the opening half of the year, and CRA duly recorded its first-ever deficit for the full 12 months.

Last year's net loss was \$13.6m (£7.5m), after extraordinary gains of \$33.37m, and this compared with 1981's attributable profits of \$93.1m after extraordinary gains of \$13.33m.

MINING

GEORGE MILLING STANLEY

A recovery to the levels of two years ago is certainly encouraging news, but Sir Roderick also had some stern warnings for anyone who might be tempted to feel at all complacent at the latest turn of events.

As usual, his most severe strictures were reserved for Australia's declining competitiveness in world markets. There are two main culprits in Sir Roderick's view, the country's contentious labour force, which has led to frequent disruptions and a "pattern of customers' ships being forced to wait for days" in Australian harbours, and government, both state and Commonwealth.

The latter is responsible for a good proportion of the escalation in operating costs, which makes it increasingly difficult for Australian companies to compete in world markets, the chairman believes.

"Australian costs are out of step with the rest of the world," he said, which means that the country will not benefit as much as it should from the resumption in world economic growth. The immediate outlook is thus "relatively bleak."

The message of some slight optimism, tempered with a large measure of caution, was maintained in Sir Roderick's comments on the Argyle diamond joint venture in Western Australia, in which CRA is project leader with a stake of 56.8 per cent.

something of a bonanza for Northern Mining. Apart from the higher price received, the company sold far more diamonds than expected, with significant amounts being drawn from stocks.

A figure of 45,000 carats would probably not be very wide of the mark, suggesting proceeds in excess of \$500,000.

CRA has done its best to avoid any problems with what looks like its next big target in the diamond search of the Kimberley region of Western Australia.

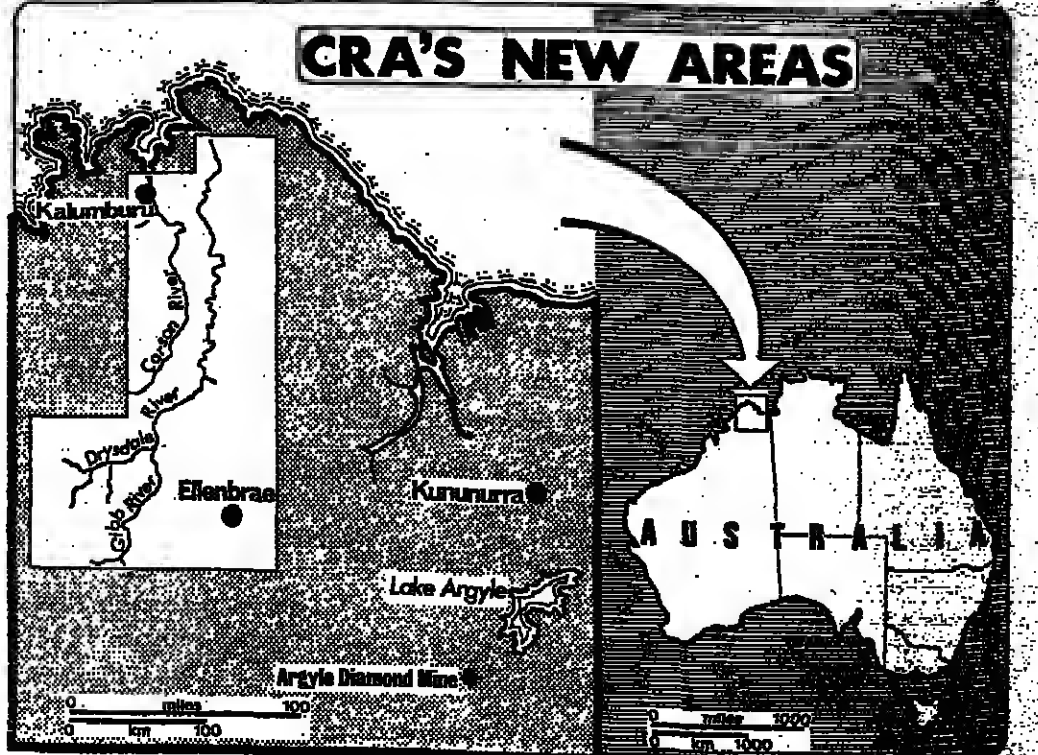
The Argyle discoveries were initially plagued by a claims dispute, until the state government put a stop to things by granting CRA's new area, shown in the accompanying map.

The group has pegged no fewer than 70 exploration kilometres or more than 3 per cent of the whole Kimberley district. "Now let's see them

peg around that lot," was the comment of one CRA executive. The group's particular exploration targets within this huge area have not been identified, but the presence of three major watercourses suggests that CRA's geologists have been looking for indicators in stream beds, which are then tracked back to their sources in the hope of finding the kimberlite pipes which provide the primary source of diamonds.

The AKI pipe, soon to be developed by the Argyle joint venture into the biggest diamond mine the world has ever seen, was discovered in exactly this manner, through indicator minerals in the Smoke and Limestone creeks.

No-one should read too much into the latest pegging, as it is obvious that the real work of exploration is only just beginning. Nevertheless, CRA must have been reasonably confident to lay out around \$20m in the area in fees and commitments.



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FINANCE AND THE FAMILY

Legal positions on garages

BY OUR LEGAL STAFF

I live in a small block of nine leasehold flats with a Management Company, to which an annual maintenance charge is paid, set up to maintain the common parts of the building. The leases, while indicating a communal interest in the fabric of the building and in the upkeep of the common parts do not in any way refer to responsibility for the garages, which are in the usual form in such cases of a row side by side with shared walls. Could you tell me what is the established legal position on this matter?

The position here will depend on the construction of the leases in question. It is thus necessary to examine the terms of the leases of flats and of garages, to examine the plans (if any) attached to the leases and then to arrive at a conclusion based on the language of the "parcels" in the demise effected by the respective leases. Each case depends on its own facts, and there can be no "established legal position."

An executor of CGT

I am an executor of my late brother's Will and probate has been obtained. Funds are needed and I can sell some Unit Trusts at a good profit and some shares. I gathered sometime ago that profits on the sale of Unit Trust holdings would not be assessable to CGT on the selling holder because the Unit Trust concerned would be assessable direct on their 'profits'. Is this the case?

Also I intend to sell some antique articles but only two of them will sell for over £3,000 each, bringing the total profit amount with the shares and Units (if assessable) over the £5,000 limit. Can the total auctioneer's charges be apportioned 'capital value' and deducted from the separate amounts of the two articles which can be sold for over £3,000 each?

Units in authorised unit trusts are nowadays treated just like shares, for CGT purposes, so the chargeable gains on all the investments will simply be the excess of sale proceeds over probate (CTT) value. The answer to your second question is yes, in principle. If you have employed the services of a solicitor in obtaining probate, it would be as well to

get him or her to check that our answers adequately cover your particular situation. With our knowledge of the precise facts, we can only make broad generalisations, and CGT is a highly complex and arbitrary tax.

A delay in distribution

Uncle X, a widower, lived in Scotland and died in 1975 leaving a quarter share of his estate to each of A, B, C, and D subject to a life rent on £3,000 invested in fixed interest stock which was to be paid to his brother Y and his wife Z. This £3,000 was duly set aside and the balance distributed. Y died in 1977 and Z in May 1982. B died in 1979.

The lawyers have realised the investment in fixed interest stock and placed the proceeds on deposit with a bank but refuse to distribute the proceeds saying that "as X's Trust is involved with Z's estate they are in touch with the Capital Transfer Office regarding clearance of the funds."

A, B's children, C and D have one-eighth interest in Z's estate each, although this presumably has no bearing on X's estate. Could you say what is a reasonable delay in the distribution of the funds? Will the Capital Transfer Office not have cleared funds when the estate was settled originally? Who inherits B's share?

It is impossible to advise with certainty as to the delay in the distribution of funds without being cognisant of the correspondence between your solicitor and the Capital Taxes Office. It may well be that the amount of Z's estate is not yet known and clearly she had an interest in possession of the fund under discussion. If the different value in 1982 was in excess of the Capital Transfer Tax threshold then CTT would be payable on that holding. There

may well be other complicating factors of which we know nothing which could also delay release of the funds but we would suggest that you inquire of the solicitor dealing with the fund to explain fully to you the position.

In short, until the amount of Z's estate is known nothing can be done with the life-rent fund. Without having sight of X's will it is impossible to answer your third point. If B vested in his share at the date of death of X then B's beneficiaries would be entitled to his share. However, if he did not vest at the date of death of X, B may not be entitled to divest himself of that share at his own death.

A pension and a student

I refer to the letter and your reply which appeared under the heading "A pension and a student." You advised that the student in question was entitled to effect a personal pension contract approved under ICTA 1970 s236 in respect of previous non-pensionable employment.

What would your reply be in the following circumstances: First employment period 1.8.75-28.2.77. Second employment period 1.7.77-31.12.81. Third and current employment period commenced 1.1.82? The first two employments were originally pensionable but, as an early leaver, the only scheme benefits actually provided were a refund of employee contributions and death-in-service cover. Current employment is pensionable. Could a single premium personal pension contract be effected in 1983-84 in respect of earnings from the first two employments? No; your earnings in the first two employments were not "relevant earnings" as defined in section 226 (9-11) of the

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

A chimney stack and VAT

Our Victorian cottage has a very tall ornate chimney which has become unsafe. We thought of reducing the height of the stack by half and re-capping as before. Obviously, after disturbance, the rest of the chimney remaining will require, possibly, re-pointing etc. A builder has quoted for the work, adding VAT. Is this correct, or could it be classed as alterations and if so, would it be subject to VAT please?

We incline to the view that reducing the height of a chimney is the alteration of a building which qualifies for zero rating. Any work which is done in the course of the alteration will also qualify for zero rating. This may well include any re-pointing.

Working after retirement

I retired at the end of May last year but I retained an interest in the negotiations of a major contract and wish to see them through to conclusion. My company has agreed to this on an expenses only basis. What would the position be as regards tax and my old age pension if on signature of the contract my company saw fit to make me an ex gratia payment?

On the bare facts, it seems likely that you will be taxed on the payment received in respect of your services, and will have your NIRP correspondingly reduced.

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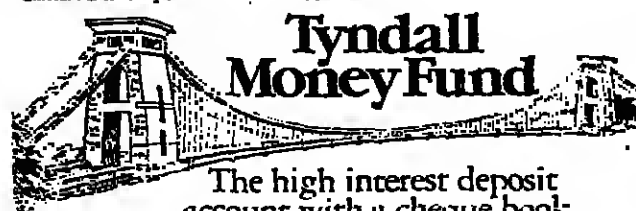
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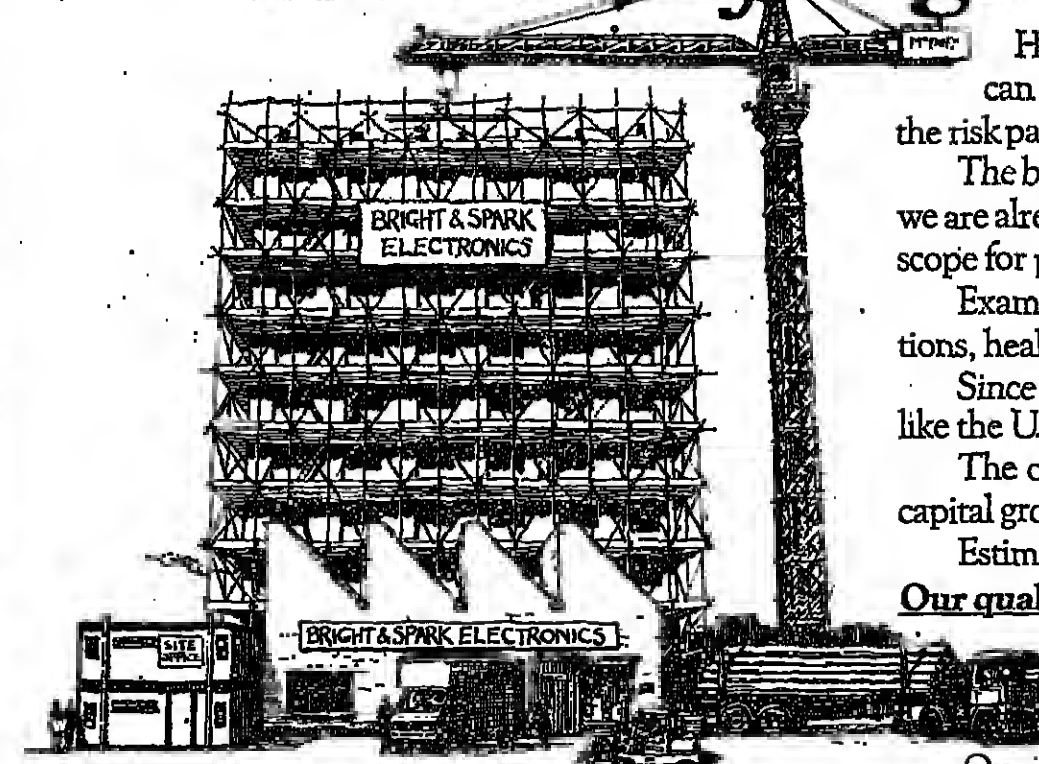
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Smaller companies usually have a smaller share of their market, so can more easily carve out a bigger share.

Successful new products are likely to have a much more dramatic effect on profits.

Another way of looking at this is to think of the next decade as the new industrial revolution.

Many large old-established industries are declining, and being replaced with smaller emerging ones. It's these that are likely to spawn the big companies of the future.

Trading carefully.

While the rewards of investing in smaller companies can be great, so can be the risks.

The wider the risk can be spread the better. And, though this is often beyond the means of the ordinary investor, it's exactly how our new unit trust can help.

Initially we will be investing in 30-40 smaller companies, rising to around 100 as the fund grows.

Some of these, though never more than 25% of the fund, will be bright young companies bought in the Unlisted Securities Market.

Please read this carefully before you apply.

Applications will be acknowledged on day of receipt. Certificates will follow within 42 days.

Reimbursement will be paid to qualified investors. There are no restrictions on request.

Interest, less income tax, will be reinvested in the Trust at six-monthly intervals.

The Trustee will distribute tax vouchers on 31st May and 30th November each year together with details of the revised unitholding. The first distribution will be on 30th November 1983.

Reports on the progress of the Trust will be included with each tax voucher distribution.

Management charges as permitted by the Trust Deed are a maximum initial charge of 5% and a maximum annual charge of 1% (plus VAT) in order to

keep charges as low as possible, the annual service charge, based on the value of the Trust and deducted from its income, will be 3% (plus VAT).

Prices and yields are quoted daily in the national press.

Repayments. Units can be cashed at any time at the bid price ruling on receipt of instructions to sell.

Payments will normally be made immediately upon receipt of the relevant certificate(s).

The Trust is a Medium Bank Trust Company Limited.

The Managers are Guardian Royal Exchange Unit Managers Limited, 45 Beech Street, London EC2P 2LX (a member of the Unit Trust Association).

Here growth potential can be enormous, but there can be disappointments too, which makes spreading the risk particularly important.

The bulk of our investment will be in proven companies we are already monitoring and which we believe show most scope for profits to grow.

Examples are likely to include electronics, communications, health-care and leisure-related industries.

Since some of the best opportunities lie in countries like the U.S.A., up to 30% will be invested overseas.

The overall aim is to achieve an above average rate of capital growth in the long term.

Estimated gross commencing yield is 1.56% p.a.

Our qualifications.

Though the fund is new, the team behind it isn't. The GRE group already manages over £4,500,000,000 of assets worldwide.

Our investment department is one of London's largest and most experienced.

This enables us not only to monitor all the companies we may wish to invest in but also to visit them.

We make a point of meeting managements regularly, both in the UK and overseas, to find out what they're up to.

A measure of our success with this type of longer term investment is our Life Linked Equity Fund.

From its launch in February 1979 to 3rd May 1983 its unit value, including reinvested income, grew by 194.2%.

An introductory offer.

The initial issue price is 100p per unit. But to launch the trust we are offering a discount of 2% on all applications received by 16th May 1983. As an example, 250 units at the introductory price will cost you £245; 500 units, £490; and 1000 units, £980. (The minimum holding is 250 units.)

How to apply for your units.

Complete the application form and send it together with your cheque made payable to 'GRE Unit Managers Ltd', to us at 45 Beech St., London EC2P 2LX to arrive not later than 16th May 1983. Remember, as with all unit trusts, the price of units and the income from them can go down as well as up.



SMALLER COMPANIES TRUST

The Guardian Royal Exchange Unit Managers Limited, 45 Beech Street, London EC2P 2LX.

Telephone 01-638 2020.

I/We enclose my/our cheque for £_____ for investment in GRE Smaller Companies Trust at the special offer price upon the terms of the Trust Deed (minimum initial investment 250 units). I/We authorise the management of my/our income in the purchase of further units. I/We hereby instruct you to register the holding as set out below.

Surname (Please give Mr/Mrs/Ms/Ms) _____ BLOCK CAPITALS PLEASE _____

For names in full _____

Address _____

Signature(s) _____

(In the case of joint holders all must sign)

Date _____

This offer is one open to residents of the Republic of Ireland.

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'n shares %	Others %
Abbey National	6.00	6.25	7.25	7.25 1-year high option
				7.25 6 years sixty plus
				6.75 min. £100, 7 d. not. no int. lost
Aid to Thrift	7.00	7.25	—	—
Alliance	6.00	6.25	7.25	7.25 3 years Money Monthly £1,000 min. Interest paid monthly
Anglia	6.00	6.25	7.25	7.25 3 yrs, 2 mths. withdrawl. notice
Birmingham and Bridgwater	6.00	6.25	7.75	7.25 Extra Interest Shares
Bradford and Bingley	5.75	6.25	7.25	7.00 1 m. not. or on dem. (int. pen.)
				7.25 High 1. a/c 3 m. not. (no pen.)
Britannia	6.00	6.25	7.25	7.50 Option Bond, 7.25 2 mths. not.
Cardiff	6.00	7.00	7.75	—
Cardiff	—	7.50	—	* Share a/c bal. £10,000 & over
Catholic	6.00	6.50	7.50	7.50 6 months' deposit, £500 min.
Century (Edinburgh)	6.50	7.00	—	8.00 2-4 years
Chelsea	6.00	6.25	7.25	7.50 im. wdl. (not pen.) or 1 m. not.
Cheltenham and Gloucester	6.00	6.25	7.25	—
Cheltenham and Gloucester	—	7.25	—	—
				Gold Account—savings of £1,000 or more. No notice—no penalty
Citizens Regency	6.00	6.50	8.00	7.50 3 yrs. Double Option sbs. 7.40
City of London (The)	6.25	6.60	7.50	8.00 £10,000-£30,000, monthly income, 3 months' notice no penalty
Coventry Economic	6.00	6.25	7.50	7.75 4 yrs, 7.50 3 yrs, 7.25 3 mths.
Derbyshire	6.00	6.25	7.50	6.75-7.25 (3 months' notice)
Greenwich	6.00	6.50	7.75	7.75 2 yrs, 7.50 28-day pen./notice
Guardian	6.00	6.50	—	8.25 6 mth., 7.75 3 mth., £1,000 min.
Halifax	6.00	6.25	7.25	7.25 Extra Interest Plus, 3 months' wdl. notice or loss of interest
Heart of England	6.00	6.25	7.50	7.00 1 mth. not., 7.25 flexi. tm. 3 yr.
Hemel Hempstead	6.00	6.25	7.50	7.75 3 yrs, 7.50 3 months
Hendon	6.50	7.25	—	8.00 6 months, 7.75 3 months
Lambeth	6.00	6.50	7.75	8.00 6 mths, 7.75 28 days, 7.25 3 m.
Leamington Spa	6.10	6.35	6.60	—
Leeds and Holbeck	6.00	6.25	8.00	7.75 5 yrs, 3 mths. interest penalty
Leeds Permanent	6.00	6.25	7.25	7.25 HRAS, 7.00 E.L. a/c £500 min.
Leicester	6.00	6.25	7.25	7.25 3 yrs, 7.25 3 months
London Grosvenor	6.00	6.75	8.50	7.25 1 mth. notice 1 mth. int. pen.
London Permanent	6.00	6.75	—	7.50 1 m. not. or on dem. (int. pen.)
Midshires	6.00	6.25	7.50	7.25 1 year, 3 months' notice no pen.
Mornington	6.50	7.30	—	—
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National and Provincial	6.00	6.25	7.25	7.75 3 yrs, 7.25 2 mths, 7.00 1 mth.
Nationwide	6.00	6.25	7.25	7.25 3 yrs, £500 min. imm. wdl. with penalty. Bonus a/c 7.00 £500 min. imm. wdl. with penalty
Newcastle	6.00	6.25	7.50	7.75 4 yrs, 7.25 28 days' notice, or on demand 28 days' int. penalty
New Cross	7.00	7.25	—	7.25-8.25 on share accs., depending on min. balance over 6 months
Northern Rock	6.00	6.25	7.50	7.00 High int. sh. 7.25 Prem. share
Norwich	6.00	6.25	7.50	7.25 3 yrs, 7.00 2 yrs.
Paddington	5.75	6.75	8.25	7.25 7 days' notice
Peckham	6.75	7.00	—	7.50 2 y., 8.00 3 y., 8.50 4 y., 7.25 Bas.
Portman	6.00	6.25	7.75	7.75 2 mths, 7.25 Flexi-Plus
Portsmouth	6.35	6.55	8.05	8.40 5 yrs, 8.00 6 mths, 7.50 1 mth.
Property Owners	6.25	6.75	8.25	8.25 4 yrs, 8.25 6 mths, 7.75 3 mths.
Scarborough	6.00	6.25	7.50	7.25 Money Care + free life ins.
Skipton	6.15	6.25	7.50	7.00-7.15 (1 mth.), 7.25 3 yrs.
Stroud	6.15	6.25	7.50	7.85 3 mths, 7.25 1 m. (no penalty)
Sussex County	6.15	6.40	8.15	6.90-7.00 all with withdrawal option
Sussex Mutual	6.25	6.50	8.00	6.75-8.00
Thrift	6.15	7.15	—	9.15 5 yrs. term. Other accents, avail.
Town and Country	6.00	6.25	7.50	7.75 3 yrs, 60 days' wdl. notice, 7.50 imm. wdl. 28 days' interest loss
Wessex	6.25	7.50	—	—
Woolwich	6.00	6.25	7.25	7.25 90 days (int. loss)
Yorkshire	6.00	6.25	7.25	7.25 Special Interest Shares 80 days' not. or imm. wdl. with 90 days' interest loss (min. £500)
Yorkshire Building Society & Bradford and West Yorkshire	—	—	—	7.00 imm. wdl. 28 days' int. loss
				7.25 5 Star Bond min. £500, 2 mths. not. with pen., 7.25 Golden Key imm. wdl. 28 days' pen. interest

All these rates are after basic rate tax liability has been settled on behalf of the investor.

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MEMBERS OF THE STOCK EXCHANGE

YOUR SAVINGS AND INVESTMENTS=1

You and your money:
Rosemary Burr continues
her series

How to find an honest broker

IN MANY PEOPLE'S MINDS insurance and investment are in separate categories. However, the boom in unit-linked life insurance and single premium bonds has pushed insurance companies' products firmly into investment territory.

Some of the bigger insurance brokers have decided to go the whole hog and now offer a comprehensive personal financial planning service covering the complete gamut of investments from unit-linked life insurance to Capital Transfer Tax schemes.

When choosing an insurance broker it is essential to discover his or her other area of expertise. There is a vast range of insurance and investment products and not all brokers are well versed right across the board.

Do make sure the individual or company you are dealing with is a registered insurance broker. By law, individuals and companies may only call themselves insurance brokers if they are registered and comply with the requirements of the Insurance Brokers Registration Council.

There is no single way to qualify as an insurance broker and as yet no specific professional examination. For example, someone with five years' experience of insurance broking in this country would qualify.

Although a so-called insurance or tax consultant may be equally efficient, by dealing with a registered insurance broker you know that in case of difficulty you can complain to the Insurance Brokers Registration Council. Also by law, insurance brokers are required to take out professional indemnity insurance which means clients will be reimbursed in cases of negligence or fraud.

In addition, insurance brokers who advise on unit trusts must now be licensed dealers. Under the new licensing rules, investors are advised for the first time required to give advice which is specifically tailored to the needs of their clients. Although it is unclear how this will be enforced, on

paper it further strengthens the client's hand.

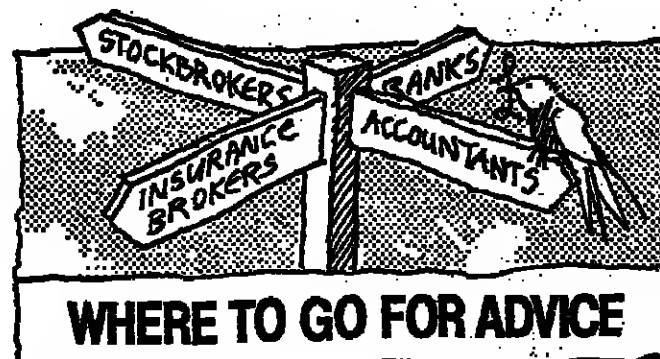
The British Insurance Brokers Association has been trying to convince the Department of Trade that insurance brokers should be exempt from having to apply to become licensed dealers in securities. But their efforts have met with no success. So do remember to ask a broker who is giving you general financial advice whether he or she is a licensed dealer in securities.

Generally speaking, insurance brokers do not charge directly for their advice, but earn commissions on the products they sell. You should ask the broker how much commission he or she will be earning as a result of your business. Obviously this raises the question in most people's minds of whether the insurance broker is giving unbiased advice or merely suggesting the products which will yield him the most commission. By law insurance brokers must prove each year that they are not unduly dependent on one company for their earnings and must answer several questions designed to show they are using a wide range of companies. These strictures go some way to ensuring the public gets a fair deal.

If you think the quality of advice you are receiving is not up to scratch, it is best to shop around for several quotes. The range of products available is growing fast, so it is essential that you deal with someone who is up-to-date.

● Noble Lowndes
The company offers a wide range of personal financial planning services with the exception of discretionary portfolio management and general (ie non-life) insurance policies. It is part of the Hill Samuel Group. Its head office is in Croydon and it has 13 branches.

Advice on mortgages, school fees and pensions is available. In addition, a review of a customer's personal financial affairs, including tax aspects, is offered. Clients who are keen on equity investments will be



introduced to a stockbroker or merchant bank. The company is not tied to Hill Samuel and will recommend the unit trust services of several groups, including Gartmore and Henderson.

The first exploratory meeting is free. The company normally takes commissions but will discuss doing the work on a fee basis if this is preferred. For advice which does not produce commissions, it will charge somewhere between £30 and £45 per hour on average.

● Godwin
Headquartered in Farnborough, the company has 15 branches. It specialises in pre-retirement counselling for everyone from the shopfloor to the boardroom. It runs courses on coping with retirement and provides speakers who will talk about the financial, tax and investment repercussions.

In addition it will provide a complete overhaul of an individual's investments, giving advice on everything from Government stocks through to specialised tax efficient products.

Normally the company works on a commission basis. However if it is called on to advise a group of employees it will charge their employer a fee and then rebate any commission earned as a result of the talk.

● Richard Longstaff
Has offices in London, Bristol and Glasgow. The company says it offers a complete range of financial services. It is particularly strong on the unit trust side with nearly £15m under management.

It will provide help on the following: capital transfer tax; life insurance; school fees and mortgages; self-employed pension schemes; pension schemes for directors and company executives; self-administered pension schemes; unit trust dealing service and portfolio management.

A trust discretionary service tailored to individual needs with the investment decisions delegated to Richard Longstaff will cost £20 payable half yearly in advance. For those

who wish to make their own decisions there is a consultancy service which costs £30 payable half yearly in advance.

There is also a dealing service which costs £28.50 annually in advance which includes the dispatch of a monthly newsletter.

● Towry Law
Provides a range of financial services including advice on unit trusts, retirement planning, Capital Transfer Tax and providing a regular income from a capital sum.

The company runs both retirement counselling in conjunction with Legal and General and a financial retirement planning service. It also offers a consultancy unit trust service, which is "free" as the company will earn commissions when clients deal.

It calls upon a wide range of other professionals before giving specific investment advice on equities but ultimately dispenses its own "house" view.

Clients wishing to opt for a discretionary unit trust service will be recommended to use the Hoare Govett service. The minimum investment is £6,000 and the fee is 1 per cent per annum.

● Hayman, Jackson and Co.
A small Hampshire broker with a staff of 14 and a branch in Surrey. The company gives advice on all classes of insurance as well as mortgage and finance business connected with insurance. No charge unless the mortgage/finance advice does not have an insurance component.

● P and G Bland
Another small company, based in Leicester with a Cardiff branch. The company will give advice on all classes of insurance, pensions and tax efficient schemes.

● Brokdale, Brealey Insurance Brokers
Particularly keen on doing pension business and will also give advice on household insurance and mortgage market, although it is not a mortgage broker. These brokers are based in Hertfordshire.

Mousehole saga comes to an end

THE GOVERNMENT has at last moved against the highly tax efficient Capital and Income Bond marketed by certain life companies, thus bringing to an end our tale of the two mouseholes.

Last Friday, Nicholas Ridley, Financial Secretary to the Treasury, announced that a clause would be added to the current Finance Bill, reducing the tax efficiency of these bonds.

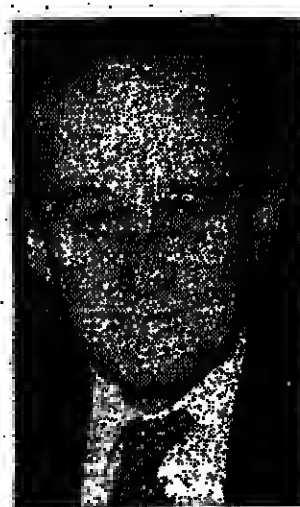
A year ago, a number of life companies outside the establishment (as represented by the Life Offices Association and the Associated Scottish Life Offices) were marketing two highly tax efficient life bonds—the second-hand bond and the Capital and Income Bond. Both bonds relied on a high degree of artificiality either in construction or in the method of selling.

The Government moved against second-hand bonds last June, though the legislation implementing this was not introduced until the current Finance Bill. At that time, however, it ignored the Capital and Income bond, despite reminders from the Associations, and the Chancellor remained silent in the March Budget. An article in these columns compared this action to that of a householder stopping up one mousehole but leaving the other open. Like mice using the second hole, life companies previously marketing second-hand bonds switched to Capital and Income Bonds.

Now, belatedly the Government has ended the tax advantages of these bonds, thus bringing our tale of two mouseholes to an end. And this time, civil servants have not repeated the confusion that surrounded the proposals to clamp down on second-hand bonds. The proposals will apply as from last Saturday, April 30 and there is no retrospective in this ruling. But the proposals will also apply to additional payments made on existing bonds.

The saga also ends because there are no other mouseholes in existence. There is no other similarly tax efficient life bond on the market at present.

But just as mice will seek to find another hole, so the life companies marketing these bonds will seek to devise new schemes. The companies, almost all of them newly formed, need a steady flow of single premium



Nicholas Ridley

business to support their annual premium business.

Otherwise they lose out on the taxation of life funds, thus putting a strain on capital. Trevor Wey of Standia Life, who designed the Capital and Income Bond, said that his company and others like it would need to look closely again at current tax legislation and the current climate of opinion in deciding their next moves. Nothing is likely to appear for some months.

But just as mice eventually gnaw through to form another mousehole, so life companies will devise a tax efficient lump sum savings plan.

Eric Short

ACORN

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(N.B. Investors may have a liability to Capital Gains Tax when units are sold.)

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First name(s) in full _____

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Signature(s) _____

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YOUR SAVINGS AND INVESTMENTS-3

Alison Hogan looks at the latest offer from National Savings

Filling the gap left by Granny

NATIONAL SAVINGS brought down the minimum investment level of its income bond to £2,000 from £5,000 on Tuesday in a bid to widen its appeal and draw in more funds.

The monthly income bond has been a great success since it was first introduced last August with sales now running around the £950m mark. National Savings hopes this latest move will push it well over the £1bn mark to become one of its best-selling products.

The Government has set National Savings a target of £3bn for this fiscal year, the same as last year. In previous years Granny Bonds proved to be the great success story but with inflation down to around 4.5 per cent, the index-linked National Savings certificates, still called Granny bonds, though available to mums, dads and kids too, have lost some of their attraction.

The income bond, the first such bond from National Savings, is helping to fill the gap. It provides a capital investment for people who need a regular income. The bond has a life of 10 years and income is paid gross on the fifth of each month.

Payments can be made by cheque or straight into a bank account. The capital is repaid at the end of ten years, or on death, intact, but with no top up for any inflationary erosion of the real value of the capital investment during the period.

The lack of explanation of the effects of inflation on the invest-

COMPARISON INTEREST RATES

Product	nil per cent tax	30 per cent tax
Building society ordinary rate	6 1/2	6 1/2
Building society monthly income	7 1/2	7 1/2
Banks deposit	6 1/2	4 1/2
National Savings income bonds	11	7 1/2
Investment account Savings certificate 23rd issue	10 1/2	7 1/2
Investment account Savings certificate 23rd issue	10 1/2	7 1/2

* Compound over five years

societies, presently—a change from the situation when the bond was first launched in August.

An advantage for investors who choose the income bond is that in a period of declining interest rates, the National Savings tends to be slow in bringing its interest rates in line with other financial institutions. That delay means a better yield for investors.

Field is not the only factor in deciding on an investment which might last for ten years. There is a severe penalty for early withdrawal: in the first twelve months of making the investment, on three months notice no interest will be paid, and on six months notice, only half the interest accrued will be paid.

From then on, the penalties are much reduced. Investors who give six months notice get all their interest, but if they only give three months notice, then they will receive no interest for the period from notification to final withdrawal.

The income bond is particularly attractive to people in retirement whose sole income is their state pension. A single person in receipt of the age allowance of £2,360 can invest £5,000 in income bonds and receive 11 per cent interest. A married couple living on the state pension with their age allowance of £3,735 can invest £5,000 in income bonds without incurring any tax liability, thereby earning the full 11 per cent interest.

ment in National Savings advertisements caused some concern. Indeed, the deputy president of the Institute of Chartered Accountants in England and Wales, Mr David Cormie, wrote a letter to the Financial Times describing the advertisement as "little short of scandalous."

Mr Cormie said the advertisement failed to point out that at current rates of inflation money is a return of capital, and that in ten years' time, the guaranteed life of the bond, a rate of inflation of even 5 per cent will have effectively reduced the real value of the bond drastically.

Stuart Gilbert, the Director of The Savings Department for National Savings, defended the advertisement. He says that the only investments guaranteed to be proof against the effects of inflation are index-linked securities, "and even some of these are subject to market vagaries which mean you cannot be sure what you would get if you needed repayment before redemption."

So readers who are contemplating investing in the National Savings Income Bond, please note, it is not inflation-proof—but it is still worth considering, especially if you pay no tax or are a basic-rate taxpayer.

Barry Riley on the great retirement debate

Now, the Good Pensions Guide

MAURICE OLDFIELD'S 18th birthday on July 5, 1948, fell on exactly the same day that all employees of 18 or over first became compelled to pay National Insurance contributions. At the time he felt a bit sorry about it.

But Oldfield was soon embarked on a 30-year career as a pension manager and since he is now chairman of the National Association of Pension Funds, he seems not, in the end, to have done too badly out of the era of enhanced social security.

Certainly the period since the war has seen a remarkable expansion of compulsory occupational pension schemes (though there is now more inclination on the part of politicians and the public to question whether employers should be able to force their workers to join a particular company scheme).

Growth in membership has not, however, generally led to much greater knowledge of how pension schemes work. Now Maurice Oldfield, who is group pensions executive at the Allied-Lyons brewing and food manufacturing group, has attempted to lift some of the veils draped over the subject by writing a book aimed at the ordinary pension scheme member.

In one sense he is successful. It is a simply written volume, clearly setting out the nuts and bolts of the pensions business. It shows, as if it were necessary, that Oldfield knows everything that there is to know about running pension schemes.

Yet the book fails to live up fully to its title of "Understanding Pension Schemes." There is a lot about how, but not much about why. Less than two pages are devoted to what the actuary does, so the reader is unlikely to understand the reasons for the problems which have caught up with many pension schemes in a mobile and inflationary period. He will not be helped to understand why entirely different approaches to the provision of pensions are taken in other countries.

Perhaps it is unfair to criticise the book for failing to achieve something which it does not really attempt to do. However, Oldfield does refer in several places (including a final chapter on current issues) to some of the more controver-

sial aspects of pension schemes.

No doubt he will be defending the pensions industry in his typically combative style when he takes the rostrum at the NAPP annual conference which is taking place at Brighton this weekend. But in his book, he is sometimes content to take a more low-key approach to subjects like the problem of early leavers.

He accepts that the position of the employee who changes jobs is "not entirely satisfactory," and offers the explanation that pension funds were designed at a time when "the employee who changed jobs at all was regarded with some suspicion; he lacked stability, loyalty; he was an altogether doubtful quantity."

As a result, not only are job changers badly done by in a financial sense, but a bureaucratic nightmare could be created. Oldfield discusses the possibility of a range of up to 50m different deferred pensions. He concludes that whether or not it would be desirable to have a central fund for early leavers (as he

has suggested elsewhere) it is "almost vital to have a central clearing house for payments."

In his closing chapter, he deals in forthright fashion with a number of major problems facing the pensions industry. He criticises the Scott Committee's views on index-linked pensions, defends the freedom of investment of pension funds against the threats of the TUC, and dismisses the idea that there is any need for a Pensions Act.

But apart from such broad issues, the book is also valuable for the insights it gives into the day-to-day problems of the pensions manager. For example, it appears that the age of a new scheme member is not always easy to establish.

One entrant, Maurice Oldfield recalls, presented a document elegantly inscribed in Sanskrit, complete with an infant footprint. Another produced a letter from a Mother Superior giving the year in which, as a baby, he had been found on the steps of a convent.

Understanding Pension Schemes, by Maurice Oldfield, Financial Publishing, £7.95.

Stock Market Investors

Would you like to make 35% profit per share, on sixteen shares a month?

A small number of extremely well informed investors have been reaping huge, regular profits from the Stock Market over the past twelve months.

Taking into account all their losses they've still seen an average growth per share of 35%. And they've had the opportunity to earn from sixteen shares a month.

Some of the investors, as you would expect, are professionals. Others, and this may surprise you, are complete amateurs. But what they all have in common is a proven and logical method of making money.

The secret of investment success

The only way to make a killing on the Stock Market is to have reliable advice and the ability to move fast, before the word gets round and prices rocket.

Every Wednesday evening Stock Market Confidential (SMC) for short is posted first class to our subscribers. In it we make comprehensive buying and selling recommendations, offer sound investment advice and, most important of all, suggest three 'hot tips' for the week.

If you haven't acted on our 'hot tips' by Thursday lunchtime you've missed the boat - our SMC subscribers will have already pushed prices up.

What to buy and when to sell

If you look at the SMC Growth Record for 82/3 shown you'll notice that we aren't just to sell, in fact the average holding period is only eleven weeks which means that you can maximise profits and minimise losses.

Our subscribers can boast some of the healthiest portfolios anywhere with fast in and out profits, and quick capital gains.

Are you free to move quickly?

The best way to understand how SMC 'hot tips' work is to give you an example. Obviously it's easy to choose the best tip we've ever given. But it wouldn't be realistic. Instead here is a story which explains why you have to be free to move quickly.

At 9am on November 10th 1982, in an operation which involved split second timing, we advised our subscribers to buy Bio-Isolates Holdings Ltd. at 110p.

At 9am on November 15th, we told them that "if you want a really quick profit" sell at 390p.

By acting quickly on our inside information readers made 200% profit in just five weeks. Those who ignored our advice saw shares rise slightly and then fell dramatically.

It may interest you to hear that to our regular subscribers this is not an exceptional story.

You can act with confidence

The editor of Stockmarket Confidential is

professional stockbroker you're likely to know him personally.

Otherwise you may have read him in the financial press, or one of his highly respected investment books.

What you probably didn't know is that each week he chairs a private meeting of the SMC Board of Advisers. Together these financial specialists pool information, validate sources, and discuss the latest City whispers. At the end of the meeting they have chosen the USM tip of the week and three other of the best tips.

We guarantee that none of these tips will be leaked by the Editorial Board, or published, except in SMC.

Which means you can act with total confidence each Thursday morning.

SMC Growth Record 82/3
Top Performing Share: Security Tag Systems 640%
Average Growth Per 'Hot Tip' (including losses): 35%
Average holding period: 10.77 weeks

SMC Weekly Contents
* Three 'Hot Tips' - act by Thursday lunchtime
* Between other subscribers push up the prices
* USM Tip of the Week - aimed at fast in and out profits
* Comprehensive investment analysis including gold, building societies and gilts
* Valuable inside information for long term capital growth

SMC is a four-page weekly news sheet available by private subscription.

Free £1000 Prize Draw

Everyone is welcome to enter our Free Prize Draw. All you have to do is tick the appropriate box on the form below and return it to us by 31st May.

On Thursday, June 2nd if you're the winner, you'll receive £1000 to spend or invest as you please.

We'll suggest you invest it evenly across our 'hot tips' for that week. Because if you do, and your £800 of shares aren't worth £1000 by June 30th we'll make up the difference in cash. That's right. We're so confident that our advice is sound we believe £800 will be worth £1000 in just four weeks.

Everyone is welcome to enter the free prize draw. No purchase is necessary.

Free Six Trial Issues

Return the completed banker's order below and we'll rush you the next six issues of SMC absolutely free.

So you can profit from our expert invaluable advice for six whole weeks at no cost to yourself.

If you're not convinced the vital information which SMC contains is worth £144 a year just write to your bank and cancel your bankers' order

Hot Tip Hotline

Increase your return from home on a Thursday morning, or the first post is delayed, we supply you with a confidential 'Hot Tip' by phone number, so that you can bear a summary of that week's SMC.

Free Book for First Time Subscribers

SMC was originally published to help only experienced investors.

But it's of equal value to first-timers. If you have never invested in the stock market before we'll send you a free book: 'How the Stock Exchange Works' to help you squeeze the maximum profit from SMC.

Save £72. Year One at Half-Price.

In addition to six free issues you can also receive your first year's subscription to SMC at half price if you order by May 17th.

So it'll cost you just £72.00 for year one. Order by May 17th.

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Signature

180

Schroders

Smaller Companies Fund

Top performance over 1, 2 and 3 years

Schroder Smaller Companies Fund - the story so far

The fund was launched in May 1979 with an Offer Price of 100p. Today the Offer Price stands at 335.5p—an appreciation of 235.5%. By comparison, the FT Actuaries All-Share Index rose 64% over the same period. This performance places the fund top out of all the UK orientated growth funds over two and three years, and second over one year. (Money Management April 1983).

We believe that the fund remains a most attractive investment.

Smaller companies - economic lifeblood of the nineties.

Many of our well-known industrial names and traditional companies have reached the stage of maturity where, perhaps, the most that investors can hope for is that the growth of the underlying businesses in terms of dividends and profits will be in line with inflation. Yet, even in these difficult times, capable entrepreneurs with innovative products and technologies are building flourishing new businesses which will represent the economic lifeblood of the next decade.

Such small businesses are not just the embryonic big businesses of tomorrow. Even today, they represent the finest investment opportunities for growth in sales, profits and earnings: a £10m company can double in size far more easily than a £100m company.

Aims and structure of the fund.

The fund aims to achieve capital growth by investing in smaller

companies with above-average growth potential. Income is regarded as being of secondary importance.

By identifying key growth sectors of the market and analysing the companies within those sectors (something which Schroders is well-equipped to do), we aim to continue the satisfactory progress achieved to date.

These key sectors currently include security services, defence, advertising, food-retailing and advanced pharmaceutical technology in the UK; whilst in the USA additional emphasis is placed on computer technology, waste disposal and medical care. Currently the fund is some 45% invested overseas—primarily in the USA and Japan. Emphasis is placed on countries with strong currencies.

Fixed Price Offer

Units may be purchased at a price of 335.5p per unit until 16th May 1983. The estimated current gross annual yield is 0.85%. This offer will be closed if the unit price varies by more than 2½%. After the close of the offer units will be available at the daily price.

How to invest

To invest in the Schroder Smaller Companies Fund, please complete the coupon and return it with your cheque (minimum £500), indicating either Income units or Accumulation units. Your application will be acknowledged by return. Remember that the price of units, and the income from them, may go down as well as up. You should regard your investment as long-term.

(which are available on request) will be paid to authorised professional advisers on applications bearing their stamp.

Income Distributions of net income are made twice yearly on 22nd July and 22nd January.

Managers: Schroder Unit Trust Managers Limited (members of the Unit Trust Association), Regal House, 14 James Street, London WC2E 8BT. Regd. Office: 120 Chancery Lane, London EC2M 6DS, England No. 1531522.

Treasurer: Lloyd's Bank plc. This offer is not available to residents of the Republic of Ireland.

The Schroder Group manage assets exceeding £4,000,000,000

To: Schroder Unit Trust Managers Ltd, Enterprise House, Isambard Brunel Road, Portsmouth PO1 2AW. Telephone 0705 827733. I wish to invest (minimum £500) in the Schroder Smaller Companies Fund at the price of 335.5p per unit ruling until 16th May 1983.

A cheque is enclosed made payable to Schroder Unit Trust Managers Ltd.

Please allocate Income/Accumulation UNITS. (Delete as applicable). The offer price of Accumulation units is 340.3p. I would like more information on the Schroder Share Exchange Scheme ☐ Financial Planning Service ☐

Surname (Block letters please) First Names (in full) Address Date

Signature (In case of joint holding all must sign)

Schroders

SCHRODER UNIT TRUSTS

Members of the Unit Trust Association

FT 7/8

Schroder Smaller Companies Fund

EEK FINAL WEEK FINAL WEEK FIRST PUBLIC OFFER FINAL WEEK FINAL WEEK FINA

The technological revolution is having a profound impact throughout the commercial and industrial world.

Robots are replacing workers on the production line. New strains of disease-resistant crops and new varieties of drugs are being made by gene-splitting and other genetic engineering techniques. Radical new methods of producing cheap and plentiful energy are being evolved. Expensive and increasingly rare metals are being replaced by new materials, such as plastics that can conduct electricity and ceramics that can be worked like metal.

The significance of this mounting technological revolution lies in the opportunities for capital growth that are

On-the-spot Investment



in the tide of American Technology

Identifying the Opportunities

Having identified America as the most dynamic region in the technology sector, the difficulty in selecting the right investments still remains.

With the launch of Target Technology Fund, this problem is solved.

Now, for the first time, L.F. Rothschild, Unterberg, Towbin is applying its resources to the investments of a UK unit trust and providing investors with direct access to one of the most exciting growth sectors available today.

Target Technology Fund has been designed to provide unitholders with long-term growth through investment in companies which are believed to

have exceptional prospects because of their ability to introduce and exploit new technology.

Invest Without Delay

For your investment to achieve maximum growth, you should invest in Target Technology Fund without delay.

Investors should remember that their holding in Target Technology Fund is a long-term investment, suitable for only part of their portfolio. They may therefore wish to consult their professional adviser.

Many of the companies in which the Fund will invest retain a substantial portion of their earnings to finance future development. Consequently, the initial yield on an investment in the Fund is estimated at 1.0% p.a. gross.

The initial offer price of units is 50p. Investors should remember that the price of units and the income from them can go down as well as up.

MARKET-LEADING INVESTMENT MANAGEMENT

The principal investment adviser to the Fund will be L.F. Rothschild, Unterberg, Towbin, acting through the investment manager, J. Rothschild Capital Management Corporation. Established in 1999, L.F. Rothschild, Unterberg, Towbin is respected by US investment professionals for its expertise in the high technology sector of the US equity markets and during both 1981 and 1982 was Wall Street's leading manager for initial public offerings. It acts as underwriters of companies when they are ready for introduction to the marketplace and arranges venture capital for companies in the development stage. The firm also maintains active trading markets in these shares and through their technology research group they are well placed to identify companies with growth prospects and to analyse and forecast both industry developments and stockmarket trends.

AMERICA... LEADING EDGE TECHNOLOGIES

created as innovations leave the laboratory and find applications in the commercial world.

For the investor, it is important to identify the market which can provide the best opportunity for participation in the growth potential offered by the technology sector.

America has by far the largest research and development budget of any country, spending 48% of the world total, compared with 14% for Japan and 13% for West Germany. As a result, America is at the leading edge of every aspect of technology, from telecommunications and micro-electronics to bio-technology and fusion power.

Besides being the heartland of research, America is also the country in which venture capital is most freely available and where conditions for new company growth are at their most fertile.

Applications and cheques will be acknowledged. Conditions will be sent within 42 days of the close of the offer. You may offer your units or any units at a price which will not be less than that of the offer price.

Depositors of Trade Regulations: Payment will be made within 10 days of receipt by the Managers of the required documents. Payments in units and cheques are quoted daily in the National Press.

Annual charge of 1% is included in the offer price of units and is not a charge on the units. The offer price of units is 50p. The offer price of units is 50p. The offer price of units is 50p.

The Managers reserve the right to close the offer before the end of the offer period if the offer price of units falls below 40p. After the close of the offer period, the offer price of units will be 40p. The offer price of units is 50p.

The Trust Deed empowers the Managers to exercise a supplementary Trust Deed to allow the Fund to write or purchase listed call options, or purchase unlisted call options.

Trustees: William & Glyn's Bank plc. Managers: Target Trust Managers Limited (A member of the Unit Trust Association) 7/9 Bream's Buildings, London EC4A 3BU. Telephone 01-431 8244.

OFFER CLOSES 13th MAY, 1983

TARGET TECHNOLOGY FUND

Target Technology Fund is a UK unit trust which invests in American technology companies. It is managed by L.F. Rothschild, Unterberg, Towbin through J. Rothschild Capital Management Corporation.

Units may be purchased at a price of 50p per unit until 13th May 1983. The estimated current gross annual yield is 1.0% p.a. gross. This offer will be closed if the unit price varies by more than 2½%. After the close of the offer units will be available at the daily price.

To invest in the Target Technology Fund, please complete the coupon and return it with your cheque (minimum £500), indicating either Income units or Accumulation units. Your application will be acknowledged by return. Remember that the price of units, and the income from them, may go down as well as up. You should regard your investment as long-term.

Surname (Block letters please) First Names (in full) Address Date

Signature (In case of joint holding all must sign)

Investment Managers: J. Rothschild Capital Management Corporation

FT 7/5

YOUR SAVINGS AND INVESTMENTS-4

As good as gold

IF YOU are looking for a monthly income but want to be able to get your hands on your money quickly, then a new account launched this week by Cheltenham and Gloucester Building Society may fill the bill.

The Cheltenham Gold monthly interest account is for savers with £5,000 or more. The current rate of interest is 1 per cent above the building society ordinary rate at 7.25 per cent net of basic tax, which is equivalent to 10.35 per cent gross.

Interest will either be paid monthly or it can be rolled up and paid annually. Depositors who opt to take a single interest payment each year will receive an effective rate of 7.5 net of basic tax, which is equivalent to 10.71 per cent gross.

There is no notice period for withdrawals. Money can be paid in and out frequently, provided the £5,000 floor is not breached.

While a couple of building societies do offer a slightly

higher rate on monthly accounts they do not allow savers to have immediate access.

Cheltenham and Gloucester also offer one of the best deals around for people with more than £1,000 looking for a home for this money. The C&G gold account pays 1 per cent over basic rate, ie 7.25 per cent net of standard rate tax. However do remember this is paid annually. There is no notice period.

The C&G gold account, first launched in early 1981, has attracted more than £10m. It clearly hit the target as savers like to be able to have access to their money at short notice.

Both accounts are available through the post. Anyone interested should write to Cheltenham and Gloucester Building Society, Freeport, Cheltenham GL53 7PW. Applicants will receive an account card, paying in and withdrawal slips and first class prepaid envelopes for correspondence.

Rosemary Burr

The American way

YET ANOTHER investment management house decided to throw its cap into the unit trust ring. The latest entrant aiming to make an attack on the unit trust market is the privately owned John Govett, one of the top 10 investment trust managers.

John Govett manages £650m but the bulk of this sum is invested in the group's stable of investment trusts. About £250m is in pension funds, and three exempt trusts. Two existing authorised unit trusts have been little promoted.

The company considered shopping around for a unit trust group but said the market had been pretty well combed. Also, John Govett has been keen to take on more staff, but does say it does not rule out acquisitions at a later stage.

For the moment the plan is to extend its range of unit trusts starting with the launch of a

handful over the next two years. The first of the spring crop is an American Fund which will be followed in three weeks' time by a Japan Fund.

Govett is not a proponent of on-the-spot investment advice and prefers to centralise its small group of 40 staff in London. Frequent travels abroad and close contact with foreign brokers are methods used to keep the company in touch with world markets.

As to whether there are too many unit trusts, Bill Govett, the chairman, admits he sees some rationalisation ahead for the industry. However he is optimistic about the industry's growth prospects. "If portable pensions become law, there will be a lot more money for the unit trust movement," he argues.

R.B.

At least with Penny Shares you 'COULD' make a fortune!

Let's face it, however good a 'blue chip' is, it's literally impossible to make a fortune out of a small investment in a leading share. To do that you have to buy shares that are low priced, preferably more pennies, sell them and then successfully 'switch' into another penny share. That way it's at least technically possible.

In 1981, for example, 8 out of the top 10 best performing shares in the country (all up several hundred per cent, some up several thousand) had been penny shares at some stage over the last three years (source: FT, Datastream).

If you had followed the Penny Share Guide's advice (given two months running) to buy Polly Peck at 18p with a £1,000 investment... and then, let's suppose, you had sold it at the recent 'high' of 20p... you could have made £160,000. That's a million, but well on the way. Alternatively, you could have bought Mellins—recommended no less than 5 times in the Penny Share Guide—at 9p, again you could have made a small fortune. At least with penny shares the small investor (or the large investor using a small part of his funds) stands a fighting chance... at least with penny shares it's possible! Don't miss out entirely on this exciting area of the stockmarket, send today for FREE details.

To: Penny Share Guide, 3 Fleet Street, London EC4 1AU.
NAME
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Please send me FREE DETAILS of Penny Share Guide. FTJ

Hill Samuel International Currency Fund Limited



A company registered with limited liability in Jersey under the Companies (Jersey) Law 18 of 1968. The Shares of each class of the Company have been admitted to The Stock Exchange Official List. This advertisement is issued by Hill Samuel & Co. Limited.

CURRENCY FUNDS

Investors may subscribe for Shares designated in the following currencies:

Deutschmarks, Sterling, Swiss Francs, US Dollars.

Shares in the Currency Funds are designed for investors who wish to keep their cash reserves matched in a particular currency. They may be converted from one Fund to another on any Dealing Day without the Company making any charge.

Investments in each Currency Fund will at all times be matched in the relevant currency and held mainly in the form of bank deposits.

Objectives: To provide investors with:

- * The advantage of dealing in large amounts
- * Security of capital
- * Ready availability of funds
- * Professional management

Distributions: All interest will be accumulated and reinvested; no dividends will therefore be paid.

The Managers are part of Hill Samuel Investment Management International, the overseas investment arm of the Hill Samuel Group, which is a major financial institution based in London with assets under advice and management of over £4,500,000,000.

For copies of the Prospectus (on the terms of which alone, applications may be considered) and the Application Form, please write to:

MANAGED FUND

Managed Fund Shares will enable investors to achieve high returns through an investment in major currencies under professional management. Managed Fund Shares are paid up in Sterling but will be invested in a selection of major currencies. The Managers will aim to maximise growth by selecting those currencies which will provide the highest returns, taking into account both exchange and interest rates. Although the Managers will diversify their holdings to minimise the risk of adverse movements in exchange rates, it must be recognised that the price of Shares may go down as well as up.

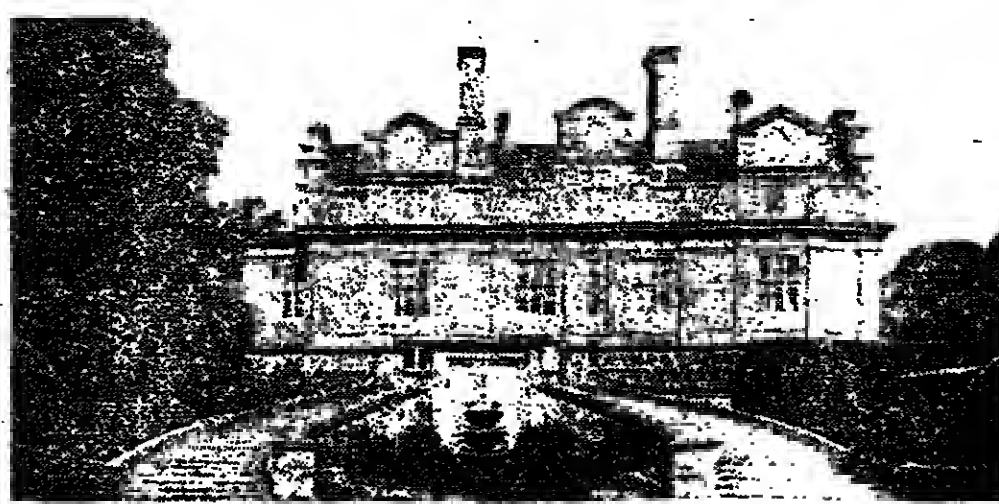
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TEL. NO.



Broome Park

Our 'Energy v the tax man

BOXING CHAMPION Henry Cooper may have retired from the ring but his latest venture has already been sparring with the tax man. The company concerned, Gulf Leisure International Properties Corporation, decided not to go the distance and went offshore.

But investors who decide to indulge themselves in what is a different approach to time share holidays, must prepare themselves for a few rounds over tax liability.

The company is trying to raise up to £5.6m cash by selling shares to the public at £1.33 each. This money it will use to buy freeholds on time share interests in properties in some of the world's leading resorts. As a result it hopes to be able to give shareholders the benefits of what might be best described as bulk buy time sharing discounts.

The intention is not to make a profit in the normal sense of the word—though there will be gains from selling unallocated holiday weeks—and most "dividends" will be paid in the form of the cut cost holidays of one's choice.

The venture is the brainchild of the Gulf Leisure group of companies, part of Gulf Shipping.

It has so far issued 750,000 shares as a payment for 300 weeks in developments at Marbella, Spain, and the Portuguese Algarve. It also holds a number of options on weeks at other resorts including Gulf Leisure group's own development at Broome Park near Canterbury.

In outline it all sounds just a bit of fun, with shareholders no longer resources to buy the best deal going on luxury holidays often with a golfing emphasis. Entitlement to a particular resort in a particular week of the year will be related to a rising scale of minimum shareholdings starting at 100. There will be even a right to "bonus holidays" at those times not taken up by other shareholders. There is also a plan to enable shareholders to dispose of their holdings in a market made by Chartwell Securities.

But it will not all be sun, sea and golf. For a start there are the maintenance costs of the properties involved, administrative expenses, and directors' fees. Currently there are two directors, David Ingham and Alan Taylor, with £20,000 a year service agreements. Including Henry Cooper, who is an active golfing holiday shareholder and

puts his name behind the publicity, there are four non-executive directors who will be entitled to fees.

These and other costs, however, should be covered by the 15 to 20 per cent premium on the basic booking fees, and incidental holiday sales.

The real question marks lie over the attitude of the Inland Revenue. When Gulf's founders discussed their plans with the tax man, the company

concerned, Gulf Leisure International Properties Corporation, decided not to go the distance and went offshore.

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Does the Far East offer exceptional growth potential?

We think so.

That is why we at TR Pacific Basin Investment Trust have invested our £64 million fund predominantly in Japan (66.9% of our portfolio at 31 January 1983), Hong Kong (9.2%) and Singapore and Malaysia (4.8%).

These countries have economic growth rates which are the envy of the rest of the world, and opportunities for investment are considerable.

In Japan, for example, our portfolio is concentrated on companies which are not only in the forefront of modern technology but which are also developing the technologies of the future.

If you would like to know more about us, just complete the coupon below and return to us.

To: Company Secretary, TR Pacific Basin Investment Trust, PLC, Mermaid House, 2 Pacific Dock, London EC4V 3AT.
Please send me a copy of your 1983 Annual Report.

NAME
ADDRESS



TR Pacific Basin Investment Trust PLC
A MEMBER OF THE TOUCHE REAUMONT MANAGEMENT GROUP
TOTAL FUNDS UNDER GROUP MANAGEMENT EXCEED £1,800 MILLION

Govett American Growth Fund

The time is right. Here's the opportunity.

Energy costs are falling. Inflation rates are down in many parts of the world. Investors are returning to the US stock markets with large amounts of cash. These are clear signs pointing to a recovery in the US economy more fundamental than others which have started in the past 10 years.

Now investors can take advantage of this up-turn at the right time by investing in this new unit trust from John Govett. The Govett American Growth Fund aims to produce capital growth through investment principally in the United States.

Current outlook

In the past fortnight business confidence has continued to rise sharply as the recovery in economic activity accelerates. Wall Street continues to be buoyant with every minor market correction an opportunity for selective buying. It is time for equity investment in America.

Investing for growth

At first, investment will be concentrated in three major areas which John Govett feel offer good growth prospects.

1. **Computer technology**
The continuing rapid growth in computers and their applications, plus the necessary software, has produced many smaller companies with exciting prospects. Computer-linked developments in communications such as satellites and cellular radio also offer great opportunities.
2. **Health care**
Hospital group management companies,

and the software companies providing systems for individual hospitals, form a very successful industry in the US and elsewhere in the world. Medical device companies are another part of the health care industry to have grown significantly,

and there are many attractive investments in this field, which John Govett are well placed to identify and monitor through their close contacts with the industry.

3. **Industrial and service companies**
A sustained US recovery will mean that many industrial and service companies (the successful survivors who have continued to invest) will be working closer to full capacity and so should do very well. John Govett have already identified several of these for investment.

How to invest

To invest at the initial offer price of 50p, fill in the Application Form below and send it with your remittance to reach the Managers by 27th May 1983. Applications received after the close of the initial offer will be allocated units at the offer price ruling on the date of receipt. Minimum initial investment is £500. Thereafter, you may buy or sell units to any value provided that your holding is not reduced below £500.

If you invest £2500 or more during the initial offer period you will be given a free bonus of 1% in extra units at the Managers' expense.

You should remember that the price of units, and the income from them, can go down as well as up. You should regard your investment as long-term.

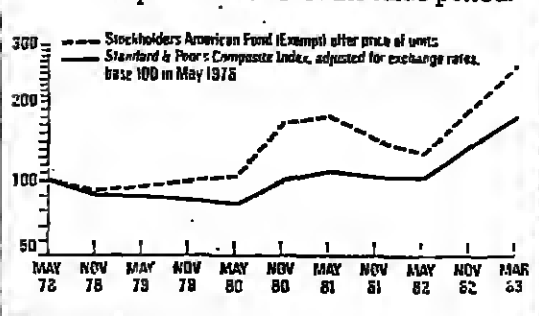
You will be sent your contract note within 3 days, and your unit certificate within 6 weeks.

You may also buy units by telephoning the Managers on 01-588 5620.

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For example, Stockholders American Fund (Exempt) is a unit trust (not available to private investors) wholly invested in the US. As the graph below shows, the offer price of units has grown by 153% since the launch in May 1978 compared with a rise of 86% in the Standard & Poor's Composite Index over the same period.



APPLICATION FORM

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I/We enclose a cheque for £..... (minimum £500) payable to John Govett Unit Management Limited for the purchase of units in the Govett American Growth Fund at the initial offer price of 50p. I/we are over 18. This offer closes on 27th May 1983. Thereafter units will be allocated at the offer price ruling on the date of receipt. In the initial offer period investors of £2,500 or more will be given, at the expense of the Managers, a bonus of 1% in extra units (to the nearest whole unit).

☐ Please tick for automatic reinvestment of income in further units.

Surname Mr/Mrs/Miss/Ms/Ms
Forenames in full
Address
Postcode

Signature(s)
In the case of joint applications (maximum 4), all applicants should sign and print their names and their addresses on a separate piece of paper.
This offer is not open to residents of the Republic of Ireland. FTJ/5

PROPERTY

It is not the end of it all

BY JUNE FIELD

"YOUR APPOINTMENTS are for Faraday, G.S. and Cabinet," said Bristol builder Stephen Smith, indicating that I was booked for message, muscle-toning and steam bath.

A strange recipe for a property visit? Not when one is inspecting newly built apartments at Cedar Falls, a 40-acre estate outside the village of Bishop's Cleeve near Taunton, close to the Quantock Hills; here a Georgian mansion, recently restored, incorporates a health farm, and is part of the complex.

I stayed at the handsome, locally quarried red sandstone house in the room they said was Winston Churchill's favourite when he visited there as a young man. The treatment rooms are in the old vaulted cellars, there is a billiard table in the old organ-room where one exercises to canned jazz, and dining is in the panelled bunting-room.

The whole place used to be the home of the Boles family, motto *Ut Tibi Sic Alteri*, roughly translated as *Do Unto Others As Others Would To You*. The Ray Smith Group (Raymond, 52, and his two sons,

Stephen, 28, and Richard, 25), now own it, and have spent some £17m remaking the house to much of its former splendour, financed in part by the Hill Samuel Bank in Bristol. Dereliction and vandalism had reduced the house to a sorry state.

The adjacent block of apartments are effectively maintenance-free in finish, and pleasing in design, although perhaps they could have been matched in a little better with the mansion. Major bonus for buying one of the units (one bedroom, £44,900 to £79,500 for a three bedroom, two bathroom penthouse, all with big terraces and fully equipped kitchens), is free membership of the health club for a year; thereafter it is currently a special annual rate of £150 for a couple.

You do not have to take the treatments. The main advantages of membership include the golf, tennis, fishing, and swimming, plus a hair and beauty salon, and, to come, a full-scale restaurant and bar.

Brochure illustrating the amenities, with sketch plans of the flats and how to view with Swedish, Chinese, Italian and Russian. Besides the main body of games, there is a survey of interesting tactical finishes and endgames, current tournament results, and news from the World Chess Federation (FIDE).

The objectivity and authority of *Informator* carries its own dangers, as in last week's game where Murray Chandler defeated a Russian GM through improving on the latter's published *Informator* analysis.

The latest issue, just published at £11.95 post free and available in Britain from Chess, Station Goldfield, Warwickshire, or from British Chess Magazine, 9 Market Street, St Leonards, East Sussex, covers events from the second half of 1982 and takes in the Lucerne chess olympics and the world title interzonals.

World champion Anatoly Karpov has just overcome the latest danger to his supremacy—a poor start in the jubilee 50th USSR championship—and

a special-price sampling of the health farm, from Stephen Smith, Ray Smith Group, Patchway Roundabout, Patchway, Bristol. To encourage sales in the early stages, the group are prepared to consider part-exchange on an existing home, and provide carpeting in the basic price. Serious enquirers can have a copy of the lease to see if the conditions are satisfactory.

The Cedar Falls flats are planned to appeal to the elderly—the 99-year lease restricts the occupation by children under 12 years-old to limited visits, and pets are allowed under a licence which can be revoked.

The apartments are also attracting middle-aged people. Of the first 10 built out of the planned 47, one is already occupied by the widow of a Battle of Britain pilot, and there are serious enquiries from professional people wanting to improve their quality of life.

One husky couple I met at the show apartment thought it could make an ideal second-home where they could relax by the peace and quiet of the lawns and lakes, or join in sporting

life if they wanted. The management fee, from £600 to £1,200 a year depending on the size of the apartment, includes the provision of a video monitor system which connects with the main house, where a doctor or nurse can be called in case of emergency. Or if you do not feel like cooking a meal, one can be brought along from the restaurant when the service really gets under way.

This in the main is what most projects being marketed as retirement homes should be all about. One appreciates that not everyone can afford the higher capital outlay and service charges of places with such amenities but it is the kind of



spirit that needs to be fostered generally.

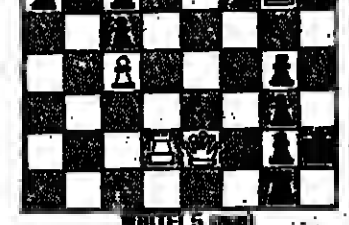
A colleague, observing a photograph on my desk of what were described as "the old" (dreadful epithet), sitting in a communal lounge in the latest sheltered homes, waiting to be entertained, commented: "It puts years on me. I am near retirement, but regard it merely as finishing one job to pursue all the other things I have never really had time for before. Going into my next phase I call it."

To the French, retirement is *Le Troisième Age*, the third age, well before that of absolute dependency, the fourth age. *Le Troisième Age* is for living, for travel, for using the French universities and other national facilities. (Those interested in supporting the provision of similar facilities in the UK, can contact the Forum for the Rights of the Elderly to Education, Bernard Sunley House, 60, Pitcairn Road, Mitcham, Surrey, who issue free information and advice.)

South hides one no trump. North raises to three, and West leads the five of spades. What card do you play from dummy?

The Queen is better than the 10—East has a singleton honour, there is some advantage in playing the Queen and pinning a singleton Knave. The Queen holds, and East drops the Knave. What next? You must play on diamonds.

As West is marked with six spades, he is likely to be short in diamonds, so play the diamond Knave in case East has started with four to the Queen. This method will enable you to develop the whole diamond suit without loss. The diamond Knave holds, you then finesse the 10, and cash the King. You now have 10 tricks, and you can try for an eleventh in hearts. It is best to lead a heart from hand. If West has both Ace and King, he will win the first lead and switch to the spade King, holding you to 10 tricks. As it happens, the honours are split, so you make 11 tricks, losing only to the two top hearts.



White mates in four moves at latest, against any defence (by G. Sladek, 1957). White is a queen up and looks ready to mate by QxNf6 or on the KR file, but it takes a most unlikely-looking idea to produce the required mate.

Solutions Page 15

BRIDGE

ON MAY 18 I join the North Star's Yacht 'Gruber' for a week's cruise round the Norwegian fjords to act as bridge host. It is a luxury ship, I am informed, and you would probably enjoy this brief holiday. Details from Paul Mundy, Quadrant Arcade, Regent Street, W1, Phone 734 3308.

Another book by Ron Klinger, *World Championship Pairs Bridge* (Gollancz £8.95) has just been published. It deals exclusively with pairs technique, and if you are a duplicate player, you will benefit from the clear and logical analysis of the hands presented.

Study first this hand dealt by South at game to North-South:

♠ Q 10
♥ Q 5 2
♦ A J 7 6
♣ K 2

♠ K 9 6 5 4 3
♥ A 9 4
♦ Q 3
♣ 3 7 5

♠ A 8 7 2
♥ J 10 6
♦ K 10 9
♣ A Q 2

South hides one no trump. North raises to three, and West leads the five of spades. What card do you play from dummy?

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When this hand occurred, the 74 declarers only nine made two overtricks, 23 made or overtrick, 34 just fulfilled the contract, and eight declarers went down.

We turn to a suit contract:

♠ K J 2
♥ 8 7 4 2
♦ Q J 7 6 3
♣ J 7

♠ W.
♥ K J 6
♦ Q 10 8 5
♣ K 8 3

♠ S.
♥ A 10 3
♦ Q 10 9 5
♣ —

West dealt with East-We vulnerable, and after two passes East bid one diamond, at South doubled. West raised two diamonds, North and East passed, South bid two spades. North raised to three spades which was certainly optimistic and South carried on to four.

West led the diamond to South, ruffed, and played it spade ten, ducking in dummy. You are East—how do you play? It is best to withhold your Ace—dummy's honour can provide entries, as declarer may require two suit entries in order to finesse hearts and clubs—deprive him of one by ducking. As it cards lie you defeat the contract—South has four natural losers.

Do not defend like one pa who deservedly received bottom score. East won 11 spade ten and returned a diamond. The declarer ruffed an led a low club towards the Knave. West won and led another diamond, again ruffing in the South hand. Now the declarer drew the outstanding trumps with Knave and King, ran his club, tricks, and conceded one heart.

This pair of defenders, returning diamonds, had forced the declarer into playing dummy reversal, something which he could not do without outside assistance. The easy way out of playing diamonds is the only way of letting South get home.

CHESS

LEONARD BARDEN

WHEN a chess grandmaster packs for an overseas tournament, one essential item in his luggage is the research publication *Informator*, a six-monthly digest of current games arranged in order of openings. If you have never seen a copy, *Informator* is a real eye-opener to the massive amount of research aimed at new finishes and new attacking plans to win major championships. Its 700-odd games are analysed by the leading players of the day from Karpov and Korchnoi downwards and the comments are in the form of languageless symbols with figurines for the pieces.

The explanatory key to the symbols is written in English, French, Serbo-Croat, Spanish,

Swedish, Chinese, Italian and Russian. Besides the main body of games, there is a survey of interesting tactical finishes and endgames, current tournament results, and news from the World Chess Federation (FIDE).

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World champion Anatoly Karpov has just overcome the latest danger to his supremacy—a poor start in the jubilee 50th USSR championship—and

his first prize at Moscow should safeguard his No 1 position in the international rankings. *Informator* quotes this Karpov win which demonstrates the small but definite gap in class between Britain's leading GMs and the world top.

White: A. Karpov (USSR). Black: J. D. M. Nunn (England). Opening: Pirc Defence (Tilburg 1982).

1 P-K4 P-Q3
2 P-Q4 N-KB3
3 N-QB3 P-KN3
4 N-B3 B-N2
5 B-F3 C-O
6 C-O B-N5
7 B-K3 QN-Q2?

Nunn clearly avoided the normal 7...N-B3 because of 8 Q-Q2, P-K4; 9 P-Q5, N-K2; 10 Q-R1, a Karpov speciality. But in the latest USSR championship Karpov's only defeat came when a young master, Azmaiparashvili, sprung the prepared improvement 10...P-QN4; 11 P-QR3, P-QR4; 12 P-QN4, P-KP; 13 P-KP, R-R6! with clear black initiative.

8 P-KR3 BxN
9 BxR P-K4
10 P-KN3 P-B3
11 B-N2 Q-R4
12 Q-Q2 KR-K1
13 Q-R1 P-QN4
14 P-QR3 N-N3
15 P-N3! KN-Q2

If 15...QxRP: 16 NxNP! PxN; 17 R-R1, Q-N7; 18 KR-N1 traps the queen. So Black has to re-group, and Karpov can already plan for a winning endgame.

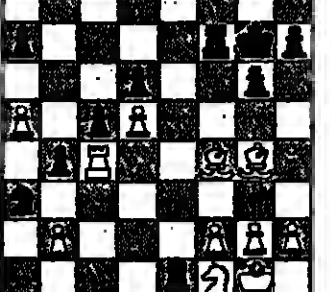
16 R-R1 N-B1
17 P-Q5 Q-R-B1
18 KR-Q1 P-QB4
19 B-B1 P-B5
20 P-QR4! PxN

Allowing Karpov to simplify, but if P-N5; 21 N-R2, P-B6; 22 Q-Q3 and White has a near-decisive advantage.

21 NxP QxQ
22 RxP RxP
No better is 22...PxP: 23 R-QB1 planning NxQP, NxRP or P-R5.
23 RxR PxR
24 R-R5! PxR
Nunn is driven back, and

Karpov is ready to mop up. The game ended 24...N-B1; 25 R-B1, N-Q2; 26 RxP, N-B4; 27 NxQP, NxN; 28 R-P8, N-KP; 29 R-B7, B-B1; 30 P-R6, R-Q1; 31 RxRP. Resigns. If 31...RxP: 32 RxP! R-R5; 33 B-QB4, K-K3; 34 P-R7.

POSITION No. 473



Averkin v. Psakhis, Sochi 1982. Black's last move was the remarkable N(N4)-QR6. Seeing no danger, White (to play), con-

tinued 1 PxN. What did he miss, and what should he have played instead?

PROBLEM No. 473



White mates in four moves at latest, against any defence (by G. Sladek, 1957). White is a queen up and looks ready to mate by QxNf6 or on the KR file, but it takes a most unlikely-looking idea to produce the required mate.

Solutions Page 15

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Zanzibar's faded glories

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HOW TO SPEND IT

by Lucia van der Post

Once, you had to go to India to buy their hand-loomed fabrics. Today the selection in Britain has never been larger. Louise Nicholson reports

Passage to India

ONE OF the most enjoyable ways of passing an afternoon in India is to stroll through a bazaar. There, among the chattering women, spice sellers, fat merchants, wandering cows and bullocks, the craftsmen quietly practice skills passed down from generations. The zari cleaner buffs up the gold thread of a sumptuous sari; a cross-legged tailor sews a choli (tight-fitting blouse) on his ancient Singer sewing machine; a jeweller-maker solders delicate filigree silver earrings. And peering into a dark room in answer to a noisy chatter-clatter you may find a mother and child busily throwing the wooden shuttle from side to side as they weave a rich silk sari, glistening with gold borders.

Outside, why merchants tempt the Hindu women with silks, cottons and man-made fibres of every colour, the brighter the better, pandering to their fussy, fashion-conscious needs. The design, the colour and the weaving method vary from state to state—even village to village—and the experienced eye can recognise a fabric's origin even when it is far from home. When I asked a lady where her deep raspberry pink sari of heavy silk came from, she replied, blandly: "Kanchipuram, of course," as if boasting an Yves Saint Laurent suit. Which

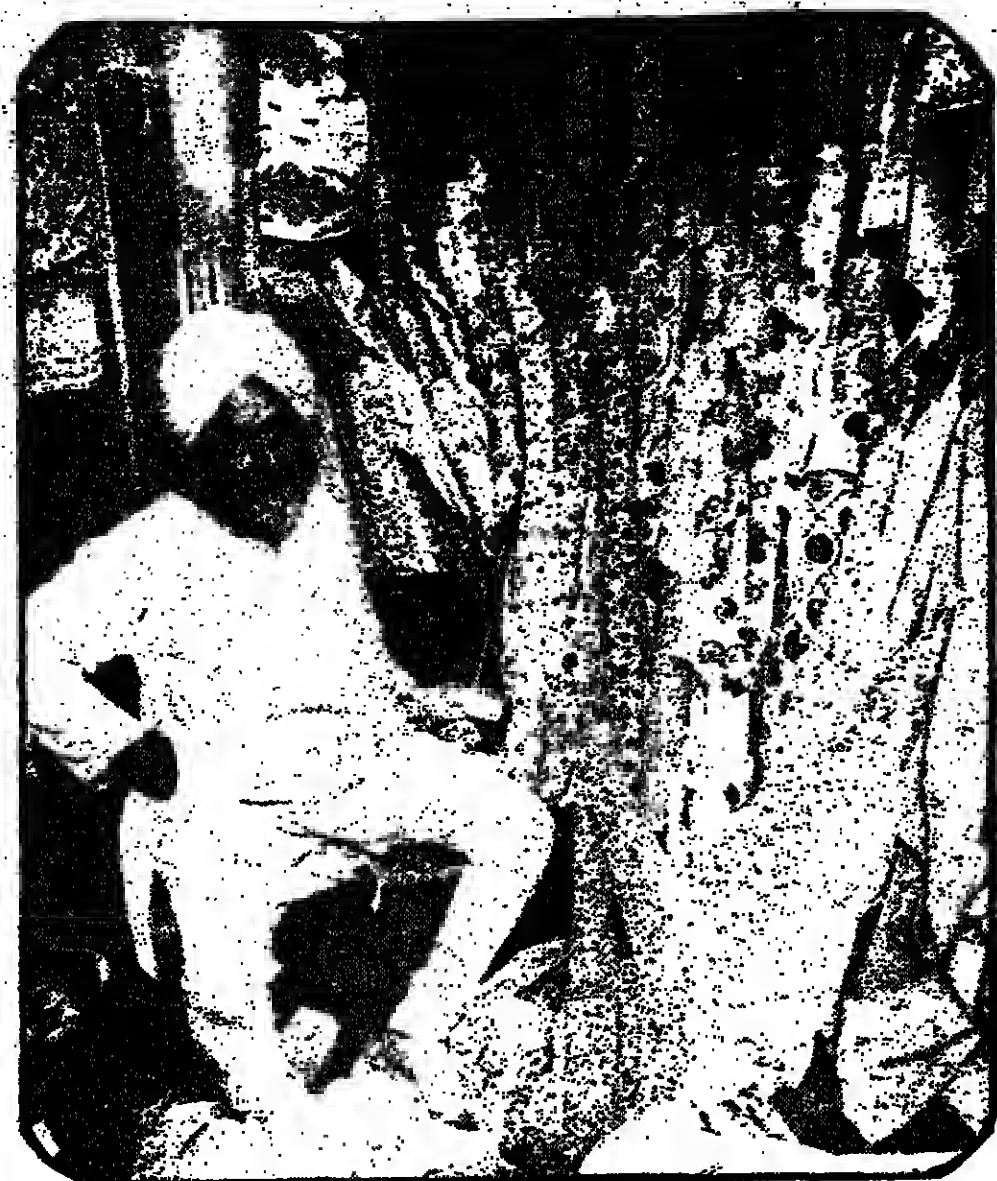
indeed she was, in a way. Every Indian knows that the finest silk is woven at Kanchipuram. Recently we British have begun to demand Indian hand-loom rather than factory weaves. These have been made more accessible because the Indian government, aware of the threat posed to weavers by both the giant cloth factories and the Indian women's delight in man-made fibres, has provided a system of tax relief for craftsmen. So now Indian fabrics and furnishings, all worked by skilled craftsmen, are available in Britain at reasonable prices.



Hand-embroidered crewel-work CREWEL-WORK hangings conjure up the 18th century vision of a roaring fire in the grate of a dark oak-panelled bedroom, the windows and fourposter bed-burn with calico embroidered in wool with large meandering tree-of-life designs in bold reds, blues and greens. If it is English crewel-work, the embroidery may even have

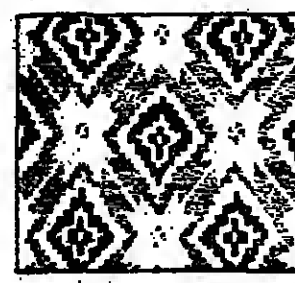
been worked by the mistress of the house. Although it is unlikely that the vision can be realised with home-made English work today, the Kashmir equivalent is available. Its origin is the Indian chinoiserie style developed at the beginning of the 18th century as a local interpretation of the sample-patterns of fashionable English chinoiserie sent out for copying by the English and Dutch.

Three centuries later, the craft is still practised in Kashmir with little change. The Muslim women sit on the floor in their dark, cavernous houses, wearing kaftan-like wool pherons. During the winter months they slip hot charcoals inside their pherons to keep warm. They work together, one



Cotton seersucker from Liberty

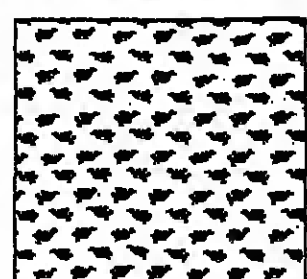
DOWN AT Camore in the southern state of Kerala, Liberty has seersucker fabric handwoven to its own designs, using local cotton. Seersucker is a relative crepe, which until its elevation to a smart fabric was used for bandages and made up into loose-fitting pyjama suits worn as informal clothes and by the poor. The story goes that in the late 1950s Pierre Cardin was invited by the Indian government to visit India and suggest fresh ways of using their crafts. Cardin was himself looking for an



Peachy-green pure silk ikat

THE IKAT is the most sophisticated of all weaving techniques, demanding astonishing skill from the dyer and weaver. The term ikat comes from the Malay word meaning binding. The ikat method reverses the usual process of weaving, then printing. The individual threads are first tie-dyed, then woven, according to an intricate and precise plan, giving the design its distinctive, slightly out-of-focus character.

Women and children usually dye, men weave. For a design using a repeated motif, the threads are dyed in bundles so that the colour is even for the whole length of fabric. Where there are several colours, the threads are dyed and dyed a second, third or fourth time. Then, after untying, a thread is taken from each bundle and



Flying chicken screenprint

SCREEN-PRINTING has adapted the block-printing method to present day economics. Whereas four people block-print eight four-coloured saris in a day, each printing one colour, those same four can screen-print 160 similar saris in a day, increasing the output 20-fold.

There are other advantages. A wooden block wears out quickly and even in its prime cannot print outlines as clearly as the screen-print. Jacqueline Ayer has found a compromise. In her fabric design she uses traditional motifs in a variety of new ways, often selecting an element from a complex block design and screen-printing it as an all-over repeat. From an 18th century block for a large shawl made in north India, she took the motif of a flying chicken, using it in a variety of sizes and colours in her collection of 16 fabrics for the Conran Shop. All her designs are crisply hand screen-printed on hand-woven South Indian cotton, 114 cm wide, costing £8.75 per metre.

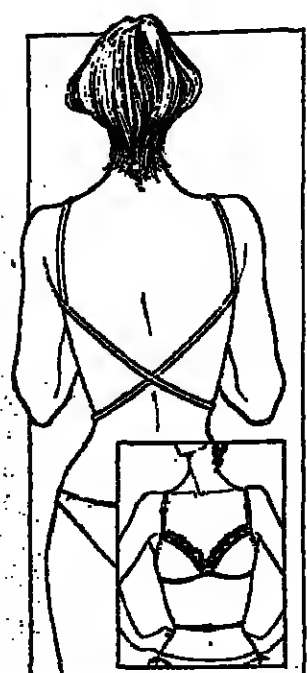


Warm up to summer

ONCE UPON a time the English summer and the inevitable cardy went together like Darby and Joan. Today there are much more attractive alternatives to keeping warm through the unpredictable days of the so-called "warmer" months—namely the summer sweater. These come in a variety of different yarns, some for chilly mortals, are in 100 per cent wool but come in dreamy pastels or gentle heathery colours or bright primaries that look right beneath a midday sun. Others come in cotton, which is a lovely yarn to wear in summer, and yet others are made up in silk, linen or cotton-mixes.

Many of the knitwear designers, having found that many potential customers loved the sweaters but didn't know what to wear them with, have brought out matching skirts to solve the problem. From left to right: A very striking black and white sweater and skirt by Sarah Dallas. The sweater is £87, sizes 10-14. The black and white check skirt is in pure silk, costs £92 in sizes 10 to 14. Both are available

from Room 7, Bay Horse Yard, Brigsteed, Leeds 1; Libra of 3 Castlegate, Doncaster; or from Sarah Dallas, 37, Odey Street, Skipton, Yorks. Next is another outfit by Sarah Dallas. The Fair Isle patterned jumper comes in 100 per cent wool, in grey with pink, or white with pink and pale grey or pink with beige. £83 in three sizes, small, medium and large. The striped cotton skirt is in beige, pink and grey stripes. £57.50, sizes 10 to 14. Both available from Way In at Harrods, London SW1; Taylor and Haddow, 37 Beauchamp Place, London SW3; Image of Bath, 19 Northumberland Place. On the right, is just one of the many splendidly coloured sweaters from Kay Coscorat. The silk, linen and cotton mix sweaters, in shades of rose and rust, blue and lavender or green and yellow, cost £74. The cream linen culottes are £106. Both available from Fortnum and Mason, Piccadilly, London, W1; Coppella, Lynton Road, Hants; Options at Austin Reed.



Drawings by Celia Baker



Cable TV a brief report

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WINE/COLLECTING

German 1982s: great quantity, little else

BY EDMUND PENNING-ROWSSELL

UNTIL THE RAIN came at the beginning of October the 1982 German wine vintage promised very well. The result was a record, diluted vintage of record size. Whereas a decade ago an average crop was between 6m and 8m hl, last year it was something between 15m and 16m hl. The result, as I can testify from tastings in the leading wine districts, is some very "green" wines and a surplus of the lower-quality wines (c. 70 per cent of the total). The higher-class Kalterer wines (c. 17 per cent) and a very small percentage of Spätlese types. Auslese and higher types are to all intents and purposes out. As the wines I tasted were either cask samples or bottled only a few days earlier, no doubt they will improve in bottle. But 1982 will not be more than an average year for reasonably early drinking.

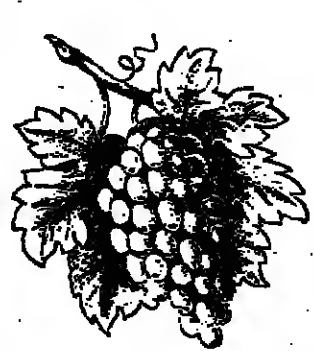
Unfortunately Germany has not had a really good vintage since 1976, whose wines are still superb. Nineteen seventy-seven and 1978 were very poor indeed, 1979, somewhat better and at least acceptable, but 1980 was a wash-out and 1981 variable. In the Moselle and Palatinate the 1982s are judged better than the previous year, but 1981 was superior in the Rheingau, Rheinhessen and Franconia, and about equal in the Nahe. It is suggested, however, that the Rheingau, Rheinhessen and Nahe wines had more style and character in 1981. These are generalisations, and much depends on the skill of the producer, when he picked and how much he made.

Quality, and quantity too, depend on the grape variety employed. There is no question that the Riesling provides the best German wine, but it is less prolific and more difficult to produce than the Müller-Thurgau, which averages 50 per cent more. Last year's fantasy yields of over 200 hl per ha were registered for the latter, while the Riesling in the Moselle averaged 180 hl, though the better growers kept it down to around 120 hl; still more than double the quantity of a fine white Burgundy. The "home" of the Riesling lies in the small Rheingau region and in the Moselle-Saar-Ruwer, but in the last 18 years the percentage of Riesling planted there has dropped

from about 80 per cent to 56 per cent. It is falling less in the Rheingau, and marginally in the other areas where it has never been prominent. Müller-Thurgau accounts for more than 30 per cent of vine plantings, but there are also a number of new varieties, such as Scheurebe, Bacchus and Optima, developed to produce frost-resisting, early ripening types in these northern vineyards.

Tasting young wines in Germany is a somewhat different operation from that in France, and in some ways more difficult. In the first place the wines are served in very small glasses, usually tumbler shape and often attractively adorned with the insignia or arms of the producer. If with incurrying rim, like a mini-Paris goblet, they are still very small. The second is the amount of wine both types are normally filled, so the wine cannot be swilled around to encourage the aroma, as in the large glasses usually provided in French and even Italian cellars and tasting rooms. Indeed though fine German wines have the most exquisite bouquet, it is surprising to find both in restaurants and homes that the glasses are usually on the small side. The tall-stemmed, slightly cut Moselle glasses are pretty, but disperse the aroma too widely, and are usually filled to the brim.

The other peculiarity of German tastings is in the number of wines of a single vintage that you will probably be shown. The French grower is likely to have one only, unless he has a second wine. The German producer, on the other hand, will not only have a Quality and a Kabinett, but in a good year a Spätlese and Auslese. And these days he will surely have the now fashionable trocken (dry) and half-trocken (half-dry) whose maximum residual sugar content is strictly regulated. Further he is almost certain to own strips in more than one site. So a small Trittenheim grower that I visited had 1982 wines from the Apotheke and Altareben vineyards, but also some from Neumagen next door: nine different wines. To take an extreme example the Rheingau estate of Schönbach owns part of 45 vineyards in 13 communes. Most trocken wines ruled out. I tasted a mere 22 others before



moving on to some older wines.

The saving grace is the low alcoholic strength of German wines. Whereas French and Italian wines are likely to be around 12 degrees, and Burgundies 13 or so, German wines are usually in the eight to 10 degree bracket. This is partly because the lack of sun and warmth in the northern climate means less sugar in the grapes to turn into alcohol, and partly because the fermentation is stopped by the addition of unfarmed grape juice (süssreserve) or, with the top qualities, the yeasts are killed by the sheer weight of sugar. So one can taste a long line of German wines without the jarring effect of a similar wine in France or Italy. So much so that spittoons are by no means always part of the standard equipment for German tastings. This generally low-strength is one of German

wines' great advantages. One can polish off a bottle without suffering the after-effects likely to follow in France or Italy. In the last few years the fashion for dry wines has taken Germany by storm, and attributed always to the gastronomic press. So famous estates as Schloss Vollrads in the Rheingau sells 90 per cent dry wines within Germany. In Trier Kesselstatt that owns 100 ha makes 80 per cent trocken and half-trocken. It is generally thought that these wines now account for 40 per cent of total production, and the percentage is rising. Not everyone likes the term "half-trocken." So the Rheingau State Domain calls it "Feinherbe" while Schloss Vollrads has re-christened theirs "Gourmet Table Wine," which, perhaps, puts off as many people as it attracts.

It is admitted in Germany that so far these dry wines are not popular in Britain or in the U.S., and I certainly share that view. While the Germans say they go well with food, particularly with fish, I find them peculiarly those from the drier wine areas of the Moselle-Saar-Ruwer and Franconia. Elsewhere they are a little fuller, and the half-trocken can be acceptable. One sees the problem, because at least for sophisticated palates even the drier Kabinett wines can be too

sweet for meal courses, although I believe they can go very agreeably with first-course of paté, etc; though they do not exactly assist dry red wines that may follow. Fortunately we have easy access to other dry white wines, whether Muscadet, white Burgundy, notably Chablis or such an Italian white as Pinot Grigio. One effect, of course, of producing such dry wines is that they are stronger, for the fermentation is not stopped by the addition of sugar. So they are about ten or more degrees still lighter by the standards of French wines of AC quality. A Rheingau grower's daughter who enjoys trocken wine told me that after two glasses of (higher strength) red wines she falls asleep!

I will follow this article with some more detailed comments on the wines, but it is worth mentioning here that owing to the huge crop and to a poor level of demand within Germany itself, the 1982s will not be any dearer than the 1981s, that is, cheaper in real money terms. They are likely to taste much better in the autumn, after six months in bottle. Nevertheless all too many German wines of Kabinett and upwards in quality are drunk too soon, for after a couple of years or so the balance of sugar and acidity is more harmonious.

High street wines

MARKS AND SPENCER sell wine in 250 out of their 255 stores, but in the smaller ones only about 20 of the 45 they list will be available. Customer-warm stores are not the best places for the display of wine, but I am assured that no bottle on their free-standing display counters is there for more than three weeks, though one would prefer to see their two sparkling wines lying down. Technical experts in champagne have shown that bright light can affect a bottle of champagne within 24 hours, though we amateurs are unlikely to notice it. As with its other goods, M & S goes first for quality rather than price, though that must be a factor too in High Street competitive selling. Sur-

prisingly, for a long time they have not had a Côte de Rhône, one of France's best-value red wines. I asked them to show me around a dozen wines, and these are the ones that I preferred. Chablis 1981 (£2.99). Green-tinted and a shade green in flavour, but with a true, clean chablis nose and typical distinctive taste. Excellent wine. Liebfraunheim Rheingau (£2.39 and £2.99 a litre). Nice nose, not over-sweet taste, thanks to a touch of acidity. An easy-to-drink wine. Claret (£2.59). Though obviously rather young, has a real claret nose, and might well improve with even six-months' bottle-age. Chianti (£2.99 a litre). This

11.50 degree wine has big colour and the somewhat inky aroma of young Chianti without the excess of tannin that makes many so aggressive on the palate. Very good value. Rioja, Marques de Romero, 1974 (£3.19). A Gran Reserva wine, with the vanilla/oak bouquet and taste that marks a good mature Rioja. For me the best of those shown. Champagne, Brut (£7.99). From the Co-op on the Côte de Blancs, this has the fine but dry nose and flavour of a blanc de blanc, not over sugared, and much more distinguished since it was changed from Sec. Good value for the real thing. Pale Dry Fino Sherry (£2.49). A nice light fino of a style that is the best-value aperitif for those who like it dry.

Alan Forrest reports on a Liverpool legend

Why our Bob excels

WHEN I last saw Liverpool play—at Brighton for a 2-2 draw after being 2-0 down for three-quarters of the game—Jimmy Mella, Brighton's manager, turned up to talk to the Press after the match. Bob Paisley, Liverpool's boss, didn't. "If Paisley asks to be excused," he was told.

This is typical of Paisley whatever happens to Liverpool. When he talks about talking to "the media" you see a kind of curl of the nostrils, which indicates a bad smell, but he says it isn't because he dislikes journalists—it's just that he tends to say things hastily and regrets them after they have made headlines in the national papers.

In tonight's Granada television documentary on his life as Britain's most successful football manager, Paisley confesses himself with the late and great Bill Shankly. "Bill used to wear steel tips on his shoes so they could hear him coming down the street. I don't really like socialising."

Bob Paisley's nine years as Liverpool manager is celebrated in the documentary—thankfully, his predecessor had a similar TV tribute.

Bob Paisley retires at the end of this season. His nine years as manager has brought Liverpool 3 League Cups, a hat-trick of European Cups, and an OBE for himself which Lane McKenney, Southampton's manager, says means: "Our Bob Excels."

Nottingham Forest manager Brian Clough, who presents tonight's documentary, says: "He's a wily old fox. He's a hard man, too. And he's the world's best loser, but he doesn't lose very often."

Paisley, born in Helton, Leicestershire, has been a player and club official—apart from war service in the Royal Artillery—



A final honour for Bob Paisley on receiving the 1983 Milk Cup for Liverpool, a privilege usually reserved for the team captain.

since 1939. Before that, he was a pithead worker and a bricklayer—then I decided football was better." Like all old soldiers, he talks nostalgically about his past battles—his return to home when Liverpool won their first European Cup under his management. "I'd been there during the war and when we won I was drunk inwardly and I didn't need a drink."

His financial record with Liverpool is pretty good too. He has spent £5.5m in nine years on 25 players—they include Kenny Dalglish and sold 32 players for £3.5m. A Clough says: "That means he's £2m down. Some managers have lost more money than that on failure."

Tonight's documentary takes the viewer into the famous

Boat House at Anfield. This is the place for drinks and chats after a game. It is said that Paisley never criticises anybody on these occasions—"win, lose or draw, there's a drink." But some people say that his views are made clear on the team sheet for the next game.

What happens to Paisley now? Many football fans thought he should be given the job of England manager. But people close to him think he may be too much of an introvert—"the job needs a diplomat and Bob isn't that," an experienced sports journalist said.

Brian Clough, a warshipper at a school, but still a dedicated rival, says: "He's won just about everything. Now he's retired and it's realising to know he'll win most else."

Trevor Bailey looks at his betting book

What's the odds on cricket

WHAT can bookmakers tell you about the cricket strengths and weaknesses of the 17 first class counties? Quite a lot, judging from the odds offered by Ladbrokes before the start of the Championship. The County Championship Stakes which began last weekend—the most demanding of this summer's four competitions.

Gloucestershire and Warwickshire were offered at 100-1 but these enticing odds were reduced considerably for the three limited-overs tournaments. In the case of Gloucestershire, arguably the weakest of all the contestants, to 66-1 in the NatWest Trophy, 40-1 in the John Player League and 66-1 in the Benson and Hedges Cup.

The main reason for this is the different challenges of the three-day and the one-day matches. In three-day cricket, it is usually necessary to bowl more opposition out twice, to win the match. The insipid attacks of the three clubs mentioned, and for that matter at least another six, must put more than half of the counties out of serious reckoning.

In contrast in limited-overs cricket, containment rather than dismissal is the main objective of a side's attack, assuming its batsmen score enough runs. The most difficult competition in which to pick the eventual winner is undoubtedly the NatWest Trophy. This was well illustrated last summer. Although Warwickshire finished at the bottom of both the Schweppes Championship and the John Player League—which was the worst team of 1982—they still managed to reach the NatWest final. It may be remembered that Glamorgan were also losing finalists in 1977 with what was probably an even weaker side. In these circumstances, Gloucestershire 168-11 and Warwickshire 160-11, especially Yorkshire at 25-1 now



represent distinctly tempting odds.

The Benson and Hedges is harder to win because each county has to fight its way through the zonal sections. This season, five potential winners—Northants, Hampshire, Kent, Somerset and Essex—find themselves bracketed together in the same group of which only two can reach the knock-out stage.

The favourite must be Somerset, least one honour for three very good reasons: Vivian Richards, probably the best batsman in the world, Joel Garner, the most feared bowler in all types of cricket and Ian Botham, who is quite capable of regaining from Imran Khan, his title as the finest all-rounder. In addition Brian Rose is an above average skipper and has some useful backup material.

The Sunday League is usually won by a club which scores quickly and consistently, fields well, bowls reasonably well, who should again win at accurately and enjoys some luck

on those occasions when rain reduces the numbers of overs and turns the result into something close to a farce.

It is also almost fatal to start badly, as Essex discovered last summer, when having lost their first four matches and said goodbye to the title by June.

Although Somerset, Middlesex and Sussex, the holders, are all serious contenders this year I like the look of Northants, at 12-1. The Midlands have probably the strongest batting line up in the land. Now they have acquired Kapil Dev they will be very formidable if they realise that with their number of quality batsmen they can afford to attack the bowling from the very beginning of a 40-overs game.

Middlesex possess the best balanced side, with sufficient batting, an abundance of pace and seam bowling, two outstanding spinners and plenty of good reserves. Their batting should prove a sound option, though he could well be on duty with England for much of the season, which makes one wonder why his committee did not settle for, shall we say, Embury.

The power and potential of Middlesex is reflected by these Ladbrokes odds: Warwickshire, 32-1; NatWest, 9-2; JP 3-1 and B and H 4-1.

Other teams which could have a serious interest in the county championship are Sussex, Essex, like Middlesex, a well balanced outfit—Sussex, Kent, if their home pitches are not too good—Somerset, possibly Lancashire and Hampshire, who were the most important county in 1982. Lancashire is the team which has consistently failed to do itself justice in recent years, but might cause a major upset. At 12-1 in the NatWest and 16-1 in the JP they make a most attractive double. I shall be having a little flutter on Essex for the same double.

Now thrive the armourers

BY JANET MARSH

THERE HAS probably been more armour around London this week than at any time since the Wars of the Roses. On Thursday Sotheby's sold the great Hever Castle collection formed by Waldorf Astor in the first years of this century. Next Wednesday Christie's has another good sale, though necessarily overshadowed by the Hever event. Between them these two sales have brought some two dozen whole suits of armour to the market.

Ordinarily the intervals between the appearance even of single good armours is measured in years rather than months.

The armours in the Hever collection were more than good. One of them, a three-quarter suit of mail, of the 16th century, was the Milanese master Giovanni Paolo Negrol, sold for £1,925,000, the highest price paid for a single work of art. Richly embossed in high relief and extravagantly gilded, it is a great showpiece of the armourer's art. Its provenance is proved by the existence of a portrait of Henri II actually wearing it.

Such elaborate decoration in fact tended to defeat the practical purpose of armour. The essential virtue of good armour was to present a glancing surface to deflect the blows of

edged weapons. Frothing scrolls and Medusa heads dangerously broke up these surfaces. Perhaps it is significant that Henri II, an enthusiastic patron of the Italian armourers with their delight in decoration, died when a lance pierced his armour in the tournament of 1559.

It was ironic that the art of the armourer reached its apogee, in the late 15th and 16th centuries, at the very time when plate armour was becoming an anachronism. The moment firearms made their appearance on the battlefield, the days of armed chivalry were numbered. The 17th century saw the great suits of heavy

armour that covered the body from head to foot reduced to half and three-quarter armour—less elegant, with its huge falls of protective "tasses" over the thighs, but more practical for modern warfare, at least until firearms grew too deadly in power and aim.

Even while its effectiveness on the battlefield was diminishing, fine armour continued in demand for ceremonial occasions, for tournaments and to mark out commanders in the field by the splendour of their suitings.

It also came in handy to supply acceptable gifts for diplomatic occasions. For centuries the finest armour came from Augsburg, Nuremberg and Milan, where there were dynasties of great artist-craftsmen. It was de rigueur for the well turned-out gentlemen of France, England and the rest of Europe to order their armour—depending presumably on current political alliances—from these alternative centres in Northern Italy or South Germany.

Fashions in armour changed almost as fast as fashion in modern dress, and the student can date and place armour fairly closely from style. When steel plate armour definitively succeeded chain mail towards the end of the 14th century, Gothic forms prevailed in the design. The early 16th century brought new, rather more streamlined styles.

The "Maximilian" fashion, dominant in Germany in the first quarter of the 16th century, produced some of the most chic creations in the history of armour. The nipped waists, parallel fluting and highly polished "greaves" fitting tight to the shape of the calves, had an even erotic elegance. The "Maximilian" suits, as they are called, are a composite photograph of the Hever collection illustrations, can look oddly like today's space-man fantasies.

The influence of the arts of the Renaissance, added to a growing sense of the romantic and archaic aspect of suit armour, produced decorative extravaganzas like the Henri II suit. The Negrol family who made it were also largely responsible for a revival of armour in the antique Roman style.

From the moment that armours became works of art, they began to be collected. Philip II established the Royal Armoury in Madrid in 1565 in memory of his father Charles V; and most of the other great aristocratic and royal collections date from around the same period.

The Gothic revival and Walter Scott between them aroused more popular interest; and the 19th century saw a good deal of faking of armour, to



A composite "Maximilian" suit of fused armour, c. 1520 from the Hever Castle Collection

supply the needs either of collectors or of the staged tournaments that enjoyed a period of popularity in early Victorian times. A few 19th century pieces turned up in Waldorf Astor's collection. Sotheby's found a nice sale-room euphemism for his less successful buyers: they call it "Armour of the Historicism Period."

Expertise in armour requires mastery of a polyglot terminology, somewhere between that of the modiste and the surgeon, with words like skull, breasts, gorget, pauldron, besague, vambrace, cuisse, paulin and sabaton, to describe some of the many elements that made up a suit, from head to foot.

With so many parts, held together with straps and hooks, it is not surprising that very few suits have remained intact. The Hever collection was exceptional if only because eight out of its fourteen suits had survived complete. The majority of suits that now appear on the market are "composite," made up of more-or-less contemporary and matching elements from different armours.

Even 19th century reproductions and composite armours can command very high prices today; but in addition to a deepish pocket, it would now take a lot of patience to embark on a serious collection of armour. Certainly not even the buying power of a Waldorf Astor could ever again bring together a collection of the quality of the armour he acquired in a remarkably short space of time; less than a decade) to decorate his castle.

THEATRES

ROYAL OPERA HOUSE COVENT GARDEN. 7.30 pm. 1. The Barber of Seville. 2. The Marriage of Figaro. 8.15 pm. 1. The Barber of Seville. 2. The Marriage of Figaro. 9.15 pm. 1. The Barber of Seville. 2. The Marriage of Figaro. 10.15 pm. 1. The Barber of Seville. 2. The Marriage of Figaro. 11.15 pm. 1. The Barber of Seville. 2. The Marriage of Figaro. 12.15 pm. 1. The Barber of Seville. 2. The Marriage of Figaro. 1.15 pm. 1. The Barber of Seville. 2. The Marriage of Figaro. 2.15 pm. 1. The Barber of Seville. 2. The Marriage of Figaro. 3.15 pm. 1. The Barber of Seville. 2. The Marriage of Figaro. 4.15 pm. 1. The Barber of Seville. 2. The Marriage of Figaro. 5.15 pm. 1. The Barber of Seville. 2. The Marriage of Figaro. 6.15 pm. 1. The Barber of Seville. 2. The Marriage of Figaro. 7.15 pm. 1. The Barber of Seville. 2. The Marriage of Figaro. 8.15 pm. 1. The Barber of Seville. 2. The Marriage of Figaro. 9.15 pm. 1. The Barber of Seville. 2. The Marriage of Figaro. 10.15 pm. 1. 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Towards a June election

By Malcolm Rutherford

Why the teasing has to stop

From the Director General,
Royal National Institute for the
Blind

Sir,—We were interested in
Jason Crisp's piece on Britain's
that we will disappoint poten-
tial readers, for the work is not,
as stated, subscribed by this
library, where we share with
Oxford and Cambridge Uni-
versities shortage of funds —

From Mr D. Tollon,
Sir. — Mr Brittan (April 26)
is to be congratulated on intro-
ducing some radical thinking
into the whole area of how the
estate taxes and disposes. It is
a pity that any effort to bring
about such changes is likely to
run under the rocks of bureau-
cratic conservatism and job pro-
tection. Unfortunately one can
only fear that the report of the
sub-committee of the Commons

ing to be made on the basis of commercial criteria. Mr Johns brought out very clearly the distinction between evaluating schemes on the basis of crediting CHP district heating stations with the full value of power produced by them, and on the basis of marginal cost. The Central Electricity Generating Board apparently favours the latter, since that it is prepared to supply heat at a price which reflects the additional costs incurred. This policy sounds very

money is being spent
top both these other
at a significant rate.
Gas is reported as
£18m per year on re-
development for the
option. Over £300m
is being allocated by
ment to deal with prob-
fuel poverty. Expendi-
the gas and electricity
on public relations
vertising is reported at
£200,000 a annum.

James, the Dutch, the
many years. A cross investigation into the users complain-
about the system should
made before it is extended.

I would suggest that better
heat efficiency might
obtained by the use of gas tur-
bines for generation and heat
exchangers. The exhaust heat
recovered would provide the kind
of nit more suited to the
maximum heat efficiency.
believes it might be increased
in this way to 90 per cent.

J. Diamond,
8, Bourne Close,
Sunderland Road.

☐ Annex ☐ Bank Card Voucher

Card Number: [REDACTED]

☒ Please invoice me by company

Bank Capital's Place

McNees/McIsaac

Title _____

Company _____

Address _____

Nature of Business _____

Signature _____

[illegible]

Managing Money is a simple matter of intelligence

Bank Capital Place	
McMinn, Miss	
Job Title	
Company	
Address	
	Print Code
Nature of Business	
Signature	Date

St Paul lifts stake in Minet to 25.98%

portant level of 75 per cent acceptance which allows for the possibility that any UDS division it chooses without a blocking vote at an extraordinary meeting. That means, for instance, that Alliers could go to Roux, the UDS division which controls the interest and the John Collier and Richard Shopp multiple chains could be sold to Burton Group which, without doubt, makes a keen interest in such deals.

Bassishaw retains a 14.1 per cent holding in UDS which says that Hanson lacking 90 per cent approval cannot seek to dissolve the company under the 1949 Companies Act and acquire compulsorily the minority. One result of such resistance is that Hanson has to undertake the administrative work of maintaining a separate shareholders' register for UDS.

It is possible that Bassishaw will now attempt to use this blocking vote to force Hanson to negotiate for units of UDS, most probably the two multiples which Mr Cyril Spencer, the chief executive of Bassishaw, is known to want: it is doubtful, however, that Hanson will sell the original weight of the company then will be needed to finance the purchase of any individual trading division.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

On Wednesday, General Felt's controversial bid for Sotheby Parke Bernet was referred to the Monopolies Commission. The decision to refer the bid was taken by Lord Cockfield, the Trade Secretary, against the recommendation of Sir Gordon Borrie, Director-General of Fair Trading. The Monopolies Commission referral meant that the 520p per share cash offer worth £61m from Mr Stephen Swind and Mr Marshall Cogan, who control General Felt, automatically lapsed. This prompted a 73p drop in the Sotheby share price to 460p. Sotheby's welcomed the decision and said it would begin considering its submissions to the Monopolies Commission. Acting for an unnamed rival bidder, Lazard Brothers stated that the referral would allow it to complete its investigations at a more sensible pace. If the unnamed rival indicates its intention to make an offer for Sotheby's, this will also automatically be referred to the Monopolies Commission.

Finance house Lloyds and Scottish sold its House of Clydesdale subsidiary to five existing directors in one of Britain's biggest management buy-outs. More than £30m has been raised through a new specially-formed company called Latz in finance the purchase and provide working capital for House of Clydesdale which sells electrical goods and musical instruments.

Along with the £25m disposal of its Key Markets retailing chain to Safeway Food Stores, announced last week, Fitch Lovell, in a letter to shareholders, also confirmed the sale of its chain of butchers shops to Union International for £20.5m and the disposal of its poultry division to Fawcett Parker for an estimated £2.5m cash. Lloyds bid £75m for Fitch Lovell last autumn, but the bid lapsed after being referred to the Monopolies Commission. Since then, Lloyds has attempted to negotiate the purchase of Key Markets itself and is studying the letter to discover whether it could formulate a higher offer for the retail chain.

Baltic Leasing is to make a minimum £5.5m offer for West Coast and Texas Regional Investment Trust. Baltic bid involves the offer of 72 of its own shares for every 100 West Coast shares. There is a cash alternative of £180 for every 100 shares. English Association, which had already tabled a £42.5m bid for West Coast, has undertaken to accept Baltic's offer in respect of its 31.5 per cent holding.

Following the acquisition of First National Finance Corporation's 30.51 per cent stake in Regalian Properties at 47p per share cash, Davstone, a company, beneficially owned by the Regalian chairman, has increased its stake in Regalian to 61.59 per cent and has therefore extended an offer on the same terms to remaining shareholders.

PRELIMINARY RESULTS

Company	Year	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
Asoc Leisure	Jan	5,520	(3,750) 10.6	(9.4) 5.0
Bonusbond Hldgs	Dec	93	(514)	(17.7)
Boot (Henry)	Dec	2,180	(1,890) 30.0	(27.5) 14.5
Bremner	Jan	143	(246) 2.2	(2.8) 2.2
British Airways	March	83,000	(100,000) 1.1	(1.1)
Caparo Industries	Dec	1,220	(419) 4.6	(5.3) 1.25
Causton (Sir J.)	Jan	1,250	(1,888) 6.0	(17.0) 2.54
Central & Sbrwd	Dec	41	(154)	(1.1) 0.3
Clayton	Dec	575L	(100) 1.1	(1.1) 0.3
Cole Group	Dec	260	(359) 1.0	(3.0) 1.0
European Ferries	Dec	30,700	(27,500) 8.3	(18.0) 3.35
Falkes (J.) Hefo	Dec	1,000	(724) 1.4	(1.2) 1.25
Forward Teclol	Dec	997L	(189) 1.1	(1.1)
Fresco Music	Dec	14,870	(23,400) 7.4	(17.5) 7.0
French Kier	Dec	12,440	(11,290) 15.3	(18.1) 4.85
Garnier Booth	Jan	1,120	(811) 15.9	(18.9) 6.65
Gerrard & Nalot	April	14,210	(4,310) 95.0	(26.8) 20.0
Hawley Group	Dec	5,450	(2,960) 9.5	(7.6) 2.76
Henderson (P. C.)	Dec	3,920	(2,450) 33.6	(31.1) 12.0
Hewlett-Packard	Dec	141	(361) 1.9	(1.2) 1.5
Holt (Joseph)	Dec	2,170	(1,550) 35.6	(13.4) 10.0
Hopkinson Hldgs	Jan	3,500	(2,490) 17.0	(19.8) 5.65
Jenks and Catell	Dec	1107	(433) 1.1	(1.1) 1.5
Liberty	Jan	747	(514) 11.6	(22.1) 3.0
London Oldways	Dec	4,320	(2,320) 21.1	(11.0) 11.0
Marks & Spencer	Dec	239,200	(22,100) 10.3	(9.2) 5.1
Marshall Unival	Dec	737	(183)	(1.1)
Mellies Leisure	Jan	887	(915) 11.9	(10.7) 6.95
Mowlem (John)	Dec	5,500	(7,800) 28.3	(34.5) 10.5
Nardin & Peaseck	Dec	11,320	(10,050) 11.4	(11.0) 3.12
Pentland Inds	Dec	1,010	(1,320) 8.4	(15.8) 1.32
P & O	Dec	33,548	(40,950) 14.0	(12.0) 10.0
Robert Aldard	Dec	761	(927) 21.3	(23.2) 10.0
Silvermines	Dec	7205	(3,400) 10.5	(24.7) 3.5
Slingby (H. C.)	Dec	65	(2) 3.9	(10.2) 4.1
Smith St John	Dec	1,141	(2,750) 126.6	(1.1) 3.5
Second Diffusion	Dec	3,250	(1,580) 6.7	(18.6) 0.87
Sunlight Service	Dec	2,510	(2,160) 17.3	(13.2) 4.9
Tecol	Jan	14,939	(14,849) 5.3	(3.2) 2.25
Towles	Feb	375	(151) 15.2	(6.8) 2.4
Ward White	Jan	5,940	(5,350) 21.8	(23.5) 12.5
Warford Invs	Dec	3,840	(8,310) 21.8	(23.5) 12.5

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)	Interim dividends* per share (p)
Barion Transport	March	37L	(1180) 1.1
Brentnall Board	March	81	(62)
Cowie (T.)	March	325	(311) 0.8
Fitzwilliam	Dec	3485	(943) 1.0
Humber Electro	Nov	58L	(1,380) 4.25
Pearce (C. H.)	March	1,900	(1,380) 3.0
Ryl Bk Scotland	March	30,900	(43,100) 1.0

Scrip Issues

Associated Leisure: One for two
P. L. Henderson Group: Two for one
T. H. Pearce and Sons: Two for one
Roberts Adair: One for one
Sound Diffusion: Two for one

Rights Issues

Hawley Group is raising £14.7m by way of a rights issue on the basis of one for four at 140p per share.
London United Investments is raising £5.14m via a one for three rights issue at 175p per share.

Offers for sale, placings and introductions

Vingwerk intends to seek a full Stock Exchange listing.
American General has obtained a London listing for its common shares.
Castle (GB) plans to come to the UK.
International Beam Property is coming to the Stock Exchange by way of an offer for sale of 1m of common shares and also a placing of 1m shares below at 55p per share.
Micro Focus is joining the USM by way of an offer for sale by tender of 2,367,500 shares at a minimum price of 185p per share.
Stainless Metallcraft is joining the USM later this month via an offer for sale.

EUROPEAN OPTIONS EXCHANGE

Series	Vol.	May	Last	Vol.	Aug	Last	Vol.	Last	Stock
GOLD C	8400	18	34	16	48	7	41		431.75
GOLD P	8400	18	34	16	48	7	41		431.75
GOLD C	8400	18	34	16	48	7	41		431.75
GOLD P	8400	18	34	16	48	7	41		431.75
GOLD C	8400	18	34	16	48	7	41		431.75
GOLD P	8400	18	34	16	48	7	41		431.75
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GOLD C									

Dow at record 1231 by 1pm

^a $\chi^2 = 0.76$, $p = .82$.

[illegible]

Mining 6 cents to A\$1.5
Bougainville Copper 2 ce
A\$2.58.
Brokers reported several
off-market trades in S
Banking Resource stock

they noted three special comprising 3.28m shares, sending 15.3 per cent of capital, sold at A\$1.30 a 5 cents below Thursday's

Singapore
Share prices retreated
only. Commodity-based
showing some strength.

The Straits Times Index rose 8.05 to 961.41, taking it away from so attempt to the record high of 973 in mid-1981.

slower economic growth in the nation, and generally poor results of local companies, investors were looking for times. He said. Institutions mostly local ones, were still liquid.

Plantations were steady higher. K. L. Kepong rose 10 cents to S\$2.65.

Hong Kong
Narrowly mixed with slightly outnumbering. Trading was dull and lackluster throughout, mainly reflected in the local market.

Sentiment was overshadowed by worries over the weak Hong Kong dollar. He noted that the authorities' intervention this week to support the local currency only had

New issue: Marsworth sharply, adding \$HK10 at The stock commenced Wednesday at \$HK30.

Johannesburg
Gold shares turned firmer on late Isiriy demand, after a generally listless day. Industrials closed mixed.

		JAPAN (continued)	
ries	+ or	May 6	Price
rt. 5	-		Yon
14	-0.01	Konishiroku.....	628
88	-0.04	Kubota.....	522

7	Kumagisa	399
85	Krocera	3,020
40	Maeda Const.	840
33	Making Milling	765
58	Makita	990
00	Maruben	316
27	Marudai	582
2	Marui	940

02	-0.00	MEI	1,549
57	-0.02	M'ta Elec Works	613
95		M'bihi Bank	800
		M'bihi Corp	551
	+0.02	M'bihi Elect	580
88	+0.36	M'bihi Estata	800
18	-0.07	MHI	226
60		Mitsui Co	413
25	0.05		

82	+0.00	Mitsui Est.....	719
66	-0.00	Mitsukoshi.....	868
20		NGK Insulators...	541
25		Nihon Cement.....	215
12		Nippon Denso.....	1,350
76	-0.01	Nippon Elect.....	1,000
25	+0.00	Nippon Express...	261
47	-0.05	Nippon Gakki.....	866
	+0.01		150

78	+0.34	Nippon Kokan.....	139
6		Nippon Oil.....	896
90		Nippon Seiko.....	490
		Nippon Shuppan.....	829
	-0.15	Nippon Steel.....	174
25	-0.06	Nippon Suisan.....	328
8		NTV.....	4,560
82		Nippon Yusen...	256
83	-0.81		258

85	.....	Nissan Motor	750
90	+ 0.01	Nisshin Flour	385
4	+ 9.05	Nisshin Steel	151
8	.....	Omura	731
13	+ 0.15	Olympus	1,160
43	.....	Omro Tetsui	1,290
93	.....	Orient Leasing	2,620
25	+ 0.25	Pioneer	8,580

23		Renown	704
75	+ 0.05	Ricoh	762
86	+ 0.00	Sankyo	784
5		Sanyo Elect	48c
58	- 0.09	Sapporo	366
91	+ 0.01	Bekiusl-Profab	789
66		Soven-Elevon	8,009
07		Sharp	1,340

46	+9.1	Shimadzu	488
43		Shionogi	819
28		Shiso'go	999
78	+9.2	Sony	5,760
3		Stanley	543
6		S'tomo Elect.	578
6		S'tomo Marine	289
		Taihei Metal	159

37	-0.93	Taihol Dengyo ...	495
85	-0.05	Taleel Corp.....	241
87	+0.81	Taleho pharm....	724
06		Takeda	813
88		TKK.....	4,790
		Tsujin	885
		Tokoku Oil.....	781
		Tokio Marine.....	504
		Tokyo	500

188	500
Tokyo Elect. Pw.	1,100
Tokyo Gas.	186
Tokyo Sanyo	630
Tokyo Style	828
Tokyu Car	526
Toppaan Print.	542
Toray	588

0	Toshiba	344
95	TOTO	539
88	Topo Seikan	648
6	Toyota Motor	1,180
08	Victor	2,490
17	Wacoal	701
2	Yamaha	376
	Yamanouchi	1,890
	Yamazaki	539

3	-0.1	Yanuda Oke.....	240
7	+0.1	Yokogawa Bds.....	484
36		
72		
35	-0.05		
8	-0.85		
4	-0.1		
32		
17		

SINGAPORE

May 6	Price
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Boustead Bhd	2.41
Cold Storage	5.25
DBS	10.1
Fraser & Neave	9.30
Genting	4.38
Haw Par	2.81
Inchcape Bhd	5.74

—	Malay Banking	8.78
20	Malay Brew	7.1
30	OOCB	17.8
50	Simo Derby	2.66
06	Straits St'mship	2.94
13	Straits Trading	7.5
00	UOB	5.1
00		
+29		

80	-39	SOUTH AFRICA	May 5	Price Rand
80	+10			
88	+2			
83	+1			
54	+9			
55				
52		Aberoom		8.10
10	-29	AE & CL		9.50

00	+49	Anglo Am. Coal...	29
00		Anglo Am.	25.5
77	+19	Anglo Am. Gold...	181.5
60	-35	Barclays Bank...	14.5
00	+19	Barlow Rand...	13.1
98		Buttals	71.5
98	\$	CNA Invest.	18.5
98	+12	Currie Finance...	5.75

00	+3	De Beers	9.50
99	+30	Driefontein	32.50
90	+14	FS Geduld	57
29	+18	Gold Fields SA	161
60	-15	Highveld Steel	5.2
59	+9	Nedbank	13.95
00	+15	OK Bazaars	23.75
70		Proton Hides	5.2

98	+1	Rembrandt	23
99		Rennles	9.6
97	+1	Rustonburg	9.05
93	-7	Sage Hdg	3.4
96	-2	SA Brown	7.90
78	+5	Smith (G.G.)	88
85	-1	Tongstathulatta	9.7
50	-7	Unsed	5.1

on this page are as quoted:
and are last traded prices. \$1
dividend, an Ex scrip issue. Kr Ex

1

CURRENCIES, MONEY and CAPITAL MARKETS

23

FOREIGN EXCHANGES

Quiet trading

Sterling showed little overall change in currency markets yesterday with a typically low level of business ahead of the weekend. Dealers suggested that apart from the usual pre-weekend reluctance to take out fresh positions, sentiment was affected by the possibility of an announcement early next week by Prime Minister Margaret Thatcher on the timing of a general election. The results of Thursday's local elections had been digested and largely ignored. Sterling's trade weighted index closed at 84.7, a level held at all three of the day's calculations and down 0.3

from Thursday's figure of 84.9. Against the dollar sterling slipped to a low of \$1.8710 in early trading but persisted demand during the day led to renewed short-covering and it touched a best level of \$1.8810 before closing at \$1.8775-1.8785, unchanged from Thursday's close in London. Against the DM it finished at DM 3.8550 slightly from DM 3.8512 but down to Y370.75 from Y371. It was further against the French and Swiss francs however at FFR 11.6180 against FFR 11.61 and Sfr 3.2425 compared with Sfr 3.2375. The dollar traded in a very

narrow range for most of the day before showing a firmer trend in the afternoon. This was short lived however and the U.S. unit closed little changed from Thursday. Against the DM it finished at DM 2.4415 compared with DM 2.4405 and SwFr 2.0530 from SwFr 2.0510. It was unchanged against the pound at £1.2935 and a little down against the yen at Y234.75 from Y235.05. On Bank of England figures, its trade weighted index closed at 122.0 compared with 121.9.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU	Current	% change	% change	Overnight
	unit	rate	from	adjusted	limit
			central	for	
			rate	disparity	
Belgian Franc	40.3362	45.2400	+1.57	+0.72	1.5430
Danish Krone	8.0412	8.0277	+0.23	-1.02	1.6977
German Mark	2.2156	2.2838	+2.19	+0.94	1.0567
French Franc	6.7271	6.7704	+0.63	+0.88	1.4978
Irish Punt	2.4957	2.5468	+1.96	+0.70	1.6941
Italian Lira	9.7705	9.7623	-0.08	-1.31	1.6880
Spanish Peseta	166.78	166.73	-0.03	-2.82	1.4458

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

Further shortage

UK clearing bank base lending rate 10 per cent (since April 15 and 18). Day to day credit was so short supply in the London money market yesterday. Factors affecting the market included bills maturing and official treasury bills taken up of Treasury bills in the market. There was also an increase in the rate of circulation of £200m. The Bank of England forecast a shortage of around £800m, raised to £900m. Assistance in the morning came to £585m and comprised purchases of £10m of eligible bank bills in hand 1 (up to 14 days) at 10 per cent and £263m in hand 2 (15-33 days) at 10 per cent. In hand 3 (34-63 days) it bought £14m of eligible bank bills at 9 per cent and in hand 4 (64-93 days) £7m at 9 per cent.

The Bank also arranged sale and repurchase agreements on £371m of bills at 10 per cent. Forward rates showed little overall change although the average discount rate at the weekly Treasury bill tender fell to 9.531 per cent from 9.65 per cent.

LONDON MONEY RATES

	May 6 1983	Banking	Interbank	Local	Local	Finance	Discount	Eligible	Final
		certificates		Authority	Authority	House	Rate	Bank	Trade
		of deposit		deposits	deposits	deposits		Bill	Bill
Overnight	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%	7.10%	10.10%	10.10%
9 days notice	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%
7 days notice	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%
One month	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%
Three months	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%
Six months	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%
Nine months	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%
One year	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%
Two years	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%

ECGQ Rate Export Finance Scheme 14 Average Rate for interest period April 6 to May 1983 (inclusive) 10.304 per cent. Local authorities and finance houses seven days' notice, other seven days' notice. Local authority mortgage rates: one month 10.10 per cent; four years 11.11 per cent; five years 11.11 per cent; six years 11.11 per cent; seven years 11.11 per cent; eight years 11.11 per cent; nine years 11.11 per cent; ten years 11.11 per cent; eleven years 11.11 per cent; twelve years 11.11 per cent; thirteen years 11.11 per cent; fourteen years 11.11 per cent; fifteen years 11.11 per cent; sixteen years 11.11 per cent; seventeen years 11.11 per cent; eighteen years 11.11 per cent; nineteen years 11.11 per cent; twenty years 11.11 per cent.

Finance House Base Rate (published by the Finance Houses Association) 11 per cent from May 1, 1983. London & Scottish Clearing Bank Rates for lending 10 per cent. London Deposit Rates for sums or seven days' notice 6 per cent.

Treasury Bill: Average tender rates of discount 9.531 per cent. Certificate of Tax Occupancy (Series 2), Deposits of £100,000 and over held one month 10 per cent; one month 10 per cent; three months 10 per cent; six months 10 per cent; nine months 10 per cent; one year 10 per cent; two years 10 per cent; three years 10 per cent; four years 10 per cent; five years 10 per cent; six years 10 per cent; seven years 10 per cent; eight years 10 per cent; nine years 10 per cent; ten years 10 per cent; eleven years 10 per cent; twelve years 10 per cent; thirteen years 10 per cent; fourteen years 10 per cent; fifteen years 10 per cent; sixteen years 10 per cent; seventeen years 10 per cent; eighteen years 10 per cent; nineteen years 10 per cent; twenty years 10 per cent.

£24m of eligible bank bills in hand 1 at 10 per cent and £26m in hand 2 at 10 per cent. In the interbank market week-end money opened at 10.10 per cent and touched 11 per cent before falling away to 10.10 per cent. Forward rates showed little overall change although the average discount rate at the weekly Treasury bill tender fell to 9.531 per cent from 9.65 per cent.

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THE POUND SPOT AND FORWARD

May 6	Day's spread	Close	One month	Three months	% change
U.S.	1.8710-1.8780	1.8775-1.8785	9.21-0.16c	1.41 0.48-0.44	1.78
Canada	1.3020-1.3070	1.3030-1.3080	9.18-0.06c	0.58 0.28-0.29	0.70
Deutsche Mark	4.32-4.35	4.33-4.34	2.1-1c	4.84 5.4-5.3	4.38
Swiss Franc	7.82-7.75	7.77-7.70	7c pm-2 dis	0.21 9 pm-2 dis	0.10
French Franc	11.72-11.75	11.74-11.73	1c pm-1 dis	0.28 4-5c dis	1.26
Italian Lira	121.80-122.00	121.85-122.00	0.45-0.50c	5.10 1.42-1.50c	4.91
Japanese Yen	354.2-357.7	355.2-358.6	2.1-1c	5.45 5.4-5.3	4.93
Spanish Peseta	166.78-166.75	166.78-166.75	0.00-0.00c	0.00-0.00c	0.00
Portuguese Escudo	200.48-200.48	200.48-200.48	0.00-0.00c	0.00-0.00c	0.00
Belgian Franc	40.3362-40.3362	40.3362-40.3362	0.00-0.00c	0.00-0.00c	0.00
Danish Krone	8.0412-8.0412	8.0412-8.0412	0.00-0.00c	0.00-0.00c	0.00
German Mark	2.2156-2.2156	2.2156-2.2156	0.00-0.00c	0.00-0.00c	0.00
French Franc	6.7271-6.7271	6.7271-6.7271	0.00-0.00c	0.00-0.00c	0.00
Irish Punt	2.4957-2.4957	2.4957-2.4957	0.00-0.00c	0.00-0.00c	0.00
Italian Lira	9.7705-9.7705	9.7705-9.7705	0.00-0.00c	0.00-0.00c	0.00
Spanish Peseta	166.78-166.78	166.78-166.78	0.00-0.00c	0.00-0.00c	0.00
Portuguese Escudo	200.48-200.48	200.48-200.48	0.00-0.00c	0.00-0.00c	0.00
Belgian Franc	40.3362-40.3362	40.3362-40.3362	0.00-0.00c	0.00-0.00c	0.00
Danish Krone	8.0412-8.0412	8.0412-8.0412	0.00-0.00c	0.00-0.00c	0.00
German Mark	2.2156-2.2156	2.2156-2.2156	0.00-0.00c	0.00-0.00c	0.00
French Franc	6.7271-6.7271	6.7271-6.7271	0.00-0.00c	0.00-0.00c	0.00
Irish Punt	2.4957-2.4957	2.4957-2.4957	0.00-0.00c	0.00-0.00c	0.00
Italian Lira	9.7705-9.7705	9.7705-9.7705	0.00-0.00c	0.00-0.00c	0.00
Spanish Peseta	166.78-166.78	166.78-166.78	0.00-0.00c	0.00-0.00c	0.00
Portuguese Escudo	200.48-200.48	200.48-200.48	0.00-0.00c	0.00-0.00c	0.00
Belgian Franc	40.3362-40.3362	40.3362-40.3362	0.00-0.00c	0.00-0.00c	0.00
Danish Krone	8.0412-8.0412	8.0412-8.0412	0.00-0.00c	0.00-0.00c	0.00
German Mark	2.2156-2.2156	2.2156-2.2156	0.00-0.00c	0.00-0.00c	0.00
French Franc	6.7271-6.7271	6.7271-6.7271	0.00-0.00c	0.00-0.00c	0.00
Irish Punt	2.4957-2.4957	2.4957-2.4957	0.00-0.00c	0.00-0.00c	0.00
Italian Lira	9.7705-9.7705	9.7705-9.7705	0.00-0.00c	0.00-0.00c	0.00
Spanish Peseta	166.78-166.78	166.78-166.78	0.00-0.00c	0.00-0.00c	0.00
Portuguese Escudo	200.48-200.48	200.48-200.48	0.00-0.00c	0.00-0.00c	0.00
Belgian Franc	40.3362-40.3362	40.3362-40.3362	0.00-0.00c	0.00-0.00c	0.00
Danish Krone	8.0412-8.0412	8.0412-8.0412	0.00-0.00c	0.00-0.00c	0.00
German Mark	2.2156-2.2156	2.2156-2.2156	0.00-0.00c	0.00-0.00c	0.00
French Franc	6.7271-6.7271	6.7271-6.7271	0.00-0.00c	0.00-0.00c	0.00
Irish Punt	2.4957-2.4957	2.4957-2.4957	0.00-0.00c	0.00-0.00c	0.00

Socal considers sale of major European assets

BY RICHARD JOHNS

By Paul Taylor in New York

BY DAVID HOUSEGO IN PARIS

By David White in Madrid

By Andrew Whitley

BY OUR FRANKFURT STAFF

By Our Financial Staff

BY DAVID MARSH IN PARIS

SR MARIO CARNERO, a prominent Brazilian businessman with close U.S. business and

Britannia Sp. of Unit Trusts Ltd. (a)(c)(g)

Save & Prosper—continued

Fyndall Managers Ltd.(a)(b)(c)

[illegible]

LONDON STOCK EXCHANGE

MARKET REPORT

End-account influences and election uncertainty make for a drab trading session in markets

Met
distr

Gres

BOLTON (1)

Lab gov

New co

NO CHA

BURY (1)

Lab gov

New co

NO CHA

MANCHESTER

Lab gov

New co

NO CHA

DLDHAM

Lab gov

New co

NO CHA

STOCKPICK

Lab gov

New co

NO CHA

TAMESIDE

Lab gov

New co

NO CHA

TRAFFORD

Lab gov

New co

NO CHA

WIGAN

Lab gov

New co

NO CHA

Me

KNOWSLEY

Lab gov

New co

NO CHA

LIVERPOOL

Lab gov

New co

NO CHA

ST HELENS

Lab gov

New co

NO CHA

SEFTON

Lab gov

Account Dealing Dates

Options

First Declared Last Account

Dealing Dates

Apr 25 May 5 May 16 May 26

May 9 May 19 May 20 May 31

May 23 Jun 2 Jun 3 Jun 13

New-time deals may take

place from 9.30 am two business days

earlier.

Uncertainty was again the

major factor behind another

drab performance on London

stock markets yesterday. The

results of Thursday's local coun-

cil elections, regarded as incon-

clusive, left the timing of a

general election still open to

speculation and served to keep

genuine investment interest at

an extremely low level.

Yesterday's session was

marked by a lack of follow-through

support and scattered offerings

soon saw quotations drifting lower.

At 2.2 at the first call, the

Financial Times Industrial

Ordinary share index drifted to

show a loss of 0.1 an hour later.

This was extended to a fall of 2.6

at 3 pm, but a small late

technical improvement left the index

only 0.8 down on balance at

684.9.

Glaxo up 40 at 885p, after

933p, following marketing

approval for the company's

Zantac drug in the U.S., provided

one of the scattered firm spots in

the leaders.

Several issues passed a rela-

tively quiet trading session, but

the bid front was enlivened by

Exel's agreed counter-offer for

Benn Bros. Some evidence unwin-

ding of positions in recent specu-

lative favourites was noticeable

and resulted in occasional above-

average falls.

Hopes that good U.S. money

supply figures might bring an

early reduction in the Federal

Reserve discount rate failed to

inspire the gilt-edged market, with

the equity sectors trading

conditions were quiet with quoti-

ations drifting lower in the course

of routine trading. Losses ranged

from 1.5 in the shorts and 1.1 in the

longs. The new 40p bid index-

linked Treasury 2 1/2 per cent Con-

vertible 1989, noted a quiet debut

at 40. Other index-linked issues

closed cashed and closed with

losses extending to 1.

Hambros dull

Hambros became a dull feature

in merchant banks, falling 10 to

105p on a Press suggestion that

the group is involved in a con-

sultium which is in the process

of formulating a bid for House

of Fraser, Leopold Joseph, on the

other hand, gained 5 more to

215p on further consideration of

the increased strike in the com-

pany taken by British and

Commonwealth Shipping. Dis-

count Houses gave ground

throughout. Gerrard and

National, which announced

bumper profits and a proposed

100 per cent scrip-issue on

Wednesday, eased 5 to 390p, while

Elsewhere, Royal Bank of Scot-

land, at 125p, lowered a penny

after the previous day's fall of

13 which followed the disappoint-

ing interim figures.

Minet fell 6 to 127p, after 125p,

on reports that Lloyds of London

may buy St Paul Companies of

the U.S. increasing its stake in

the company to 30 per cent. It

was announced yesterday that St

Paul's shareholding currently

stands at nearly 26 per cent.

Elsewhere, Composites hardened

in places; Commercial Union

edged forward a couple of pence

to 184p ahead of Tuesday's first-

quarter figures.

Breweries continued to drift

lower as dealers attempted to

establish a realistic trading level.

Grand Metropolitan gave up 6

in response to a fall on the week of 19

at 325p. Falls of 6 and 4 respec-

tively were recorded in Bass,

307p, and Allied-Lyons, 142p, but

Scottish and Newcastle continued

to nudge the trend reflecting per-

sisting hopes of a bid from the

U.S. and hardened a couple of

pence for a gain on the week

of 6 at 94p.

Technical factors inhibited

business in Buildings and the

leaders made another drab show-

ing, but some steadiness in the

late dealings to close a shadow

above the worst. Blue Circle

ended a couple of pence off at

488p, after 465p, while BPB

Industries, down to 835p at one

stage, picked up to close at 850p

on balance at 853p. Tarmac

softened 4 to 416p and Redland

3 in 235p, but late interest left

RMC 3p dearer on balance at

370p, after 366p. Barrat Develop-

ments remained a depressed

market and, with sentiment not

helped by talk that profits had

been downgraded, shed 8 for a

fall on the week of 23 to 492p.

George Wimpey gave up 4 to

136p, London Brick, on the other

hand, attracted fresh support on

takeover hopes and put on 3 for

a gain on the week of 8 to 168p.

Northern Gas, however, again

responded to takeover prospects

and firmed 2 for a gain on the

week of 8 at 136p.

Term-Consulate dipped to 28p

following the severe setback in

full-year profits, but the shares,

undepressed recently by bid

hopes, attracted support at this

level and finished only a penny

cheaper on balance at 21p.

Northern Gas, however, again

responded to takeover prospects

and firmed 2 for a gain on the

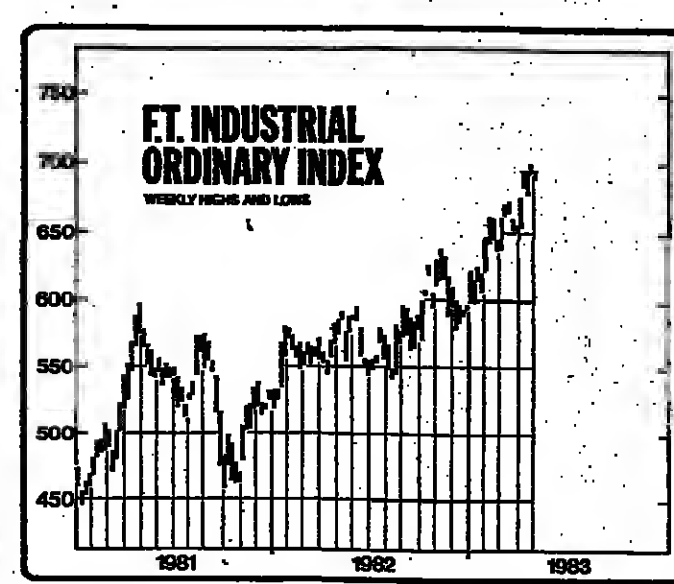
week of 8 at 136p.

Electricals displayed an

irregular appearance, with the

leaders, GEC softened a couple of

pence to 222p and BICC 3 to



for a two-day gain of 12 to 181.

Scattered support for House

of Fraser awaiting the outcome of

the shareholders meeting, regard-

ing the demerger of Harrods

exacerbated technical positions in

the market and the shares

advanced to 202p before settling

for a net gain of 10 at 200p; the

poll result is expected on

Monday, London, which intends

to call another meeting if their

resolution is defeated, hardened

a couple of pence to 83p. Other

major retailers drifted lower

with Marks and Spencer 5 off at

346p, Debenhams, however, again

responded to takeover prospects

and firmed 2 for a gain on the

week of 8 at 136p.

Glaxo below best

Glaxo highlighted the

miscellaneous industrial leaders,

rising to 935p before closing a

net 40 up at 895p on the

announcement that its Zantac

anti-ulcer drug had obtained

marketing approval in the U.S.

Bank Organisation reflected

revived U.S. bid speculation with

a rise of 6 to 165p, while Bowater

rallied from 185p to finish 2

dearer at 190p on further con-

sideration of the planned news-

print price rise in the U.S. and

the fact that a bid was expected

for the company. Northern Gas

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225p, while BICC 3 to

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225p, while BICC 3 to

225p, while BICC 3 to

and Liverpool Trust closed un-

der of Moody's preliminary results.

Still reflecting the decision to

refer the General Felt's bid to

the Monopolies Commission,

Sothelyst lost a further 10 for

a drop on the week of 70 to 449p.

Fears that Pleasurama's bid

would be referred to the Mon-

opolies Commission continued to

depress Tridens TV A which

dropped 54p before closing 31p

lower and 13 down on the week

at 88p; Pleasurama eased 5 to

305p.

Attention in Motor sectors

switched to Components. Dunlop

provided a late feature

revived hopes of a bid from the

Far East and improved 3 to 53p.

In contrast, Lucas lacked support

and shed that much to 181p,

while Flight Refuelling fell 6 to

26p, and AEA gave up a couple of

pence to 34p.

Publishers Beam Brothers rose

8 to 193p following the agreed

share-exchange offer from Kietel,

5 cheaper at 310p; original

Suttons United Newspapers rose

a couple of pence to 255p. Else-

where, News International

reacted to scattered profit-taking

in the wake of the minority offer

from the parent company and

shed 5 to 215p. International

Thomson closed 16p at 549p.

Leading Properties traded

quietly around overnight levels

before edging a little higher in

late dealings. Elsewhere,

Percy Bilton were actively

traded in the wake of Trust

INSURANCE & OVERSEAS MANAGED FUNDS

[illegible]

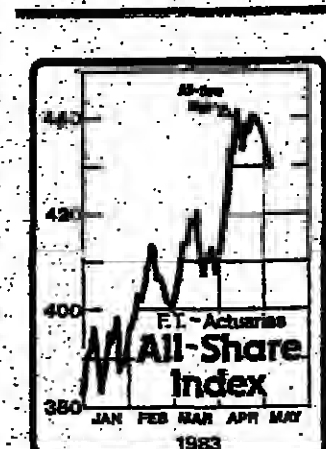
OIL AND GAS—Continued

[illegible]

THE LEX COLUMN

The City holds its breath

Index fell 0.6 to 694.4



It was a Friday settlement day in the markets when the most elliptical of pronouncements from the Delphic oracle, arriving by chance on the stock market's news screen, might have seemed comically blunt. The ambivalence of the local government election results was neatly echoed for the City in the April unemployment figures, which pointed in both directions by promising a significant fall in the May total while underlining the upward trend.

Company news followed suit. There were few expressions of amazement in London or Glasgow that House of Fraser's extraordinary general meeting had failed to bring its domestic troubles to a clear-cut conclusion. More surprising, though, was the continued silence from the Bassishaw consortium about the future of its minority UDS shareholding, now deprived of much of its strategic value since Hanson has won a state large enough to sell off whatever it pleases of UDS without bias.

Shares in GKN showed more life than most and had risen several pence by the time its chairman addressed the annual general meeting about current prospects. In the event, it seems that GKN's first quarter profits of £10m were all made in March and second quarter profits are still expected to be only around £20m. This set the shares back again and they closed at 160p, up 1p.

Glaxo's shares were among the few to make any very positive move in a market numbed by indecision. U.S. investors appear to have ended their latest buying spree for the moment at least, and the UK institutions have every inducement to conserve their cash ahead of further blue chip risks issues. With the new account starting on Monday, it was altogether time to stand by one's bed and await The Big Announcement.

Worries are understandably growing that if this does not come within the next week or so — or worse, if it should rule out a June general election altogether — the stock market might be in for a gentle bump. If June 11 is, on the other hand, there seems less prospect of another strong pre-election rally, 197 style. Too much has already been discounted.

One pretext for a June date guaranteed to find favour in the City could well spring from the money supply figures for April, due on Tuesday. If, for example, public-sector spending cuts in April has maintained the levels

Zantac

The share price of Glaxo, one of the UK stock market's star 1983 performers, had been anticipating good news from the U.S. for months, and yesterday it duly arrived with the FDA approval for its Zantac anti-ulcer drug. With some questions about labelling still unresolved, yesterday's hectic trading took a topsy-turvy pattern. Nevertheless, the shares finished 40p up on the day at 395p, where they reflect the possibilities of the world's largest drug market. Tagamet, the SmithKline product which currently dominates the field of anti-ulcer drugs, is reckoned to have sales of between \$400m and \$450m a year in the U.S. only just under half its global turnover.

Tagamet's leading position could paradoxically play into Zantac's hands. Glaxo can throw the drug into the fray without having to see off a host of other rivals. In the highly competitive anti-biotic field, for example, Beecham's new Augmentin drug, launched in the UK with similar hopes to Zantac, has struggled hard while the Glaxo product has romped to a 30 per cent market share.

The possibilities of the anti-ulcer market are, of course, bound to attract newcomers. Indeed, the Japanese company Yamanouchi is believed to have a product only two years away from launch so a swift take-off for Zantac is essential to

the company's strategy. Hence Glaxo's policy of linking up with Hoffmann-La Roche, the Swiss Zantac's original licencing and joint venture deals. Zantac has worked well so far in Western Europe, where Zantac is reckoned to have 75 per cent of the Italian market, and 35 per cent of West Germany.

If Glaxo can achieve similar growth in the U.S., it could be on the way to justifying the present dizzy ratings. It is a bet which has caught U.S. investors' interest with its Tegenin cardio-vascular drug. Glaxo's share price partly reflects attention from across the Atlantic. And if Zantac does its job in the U.S. market, it could be earning the sort of profits which would turn the company's present atmospheric multiple into a more reasonable 22 or so for the year to June 1984.

Steelcity

The price indicated by the worth Ceramic's £11m equity offer for Steelcity has suggested consistently over the past two and a half weeks that the bidder will have to spin its terms quite considerably on the first closing date and a Wednesday to avoid a pointless distraction. Steelcity at 200p, still looks immune from the 100p offer value and the defence document, published yesterday, does not stand in after the balance either way, however plithily it reads.

Steelcity has succumbed to the understandable temptation of responding to a weak bid with a counter-bid. It is becoming an unwelcome feature of many contests, with the notable exception of TSB, in turn the period up to the first closing date into a phone war.

So the defence lacks a grain of truth: on the reasonable basis that the figures will not increasingly healthy the further a construction-led economy recovery gets into its stride. The dividend promise is not specific either and after the bid that omission may rankle some shareholders.

The OFT must make its judgment early next week and in view of the redundancies which the merged refractories would have to make, in say nothing of the strong market segment each group holds in this sector, the bid may be put on ice before the middle of next week anyway.

The OFT may decide to look at the building materials market in very broad terms, and in that instance it could conceivably see an overlap between products which on the face of it are fairly distinct.

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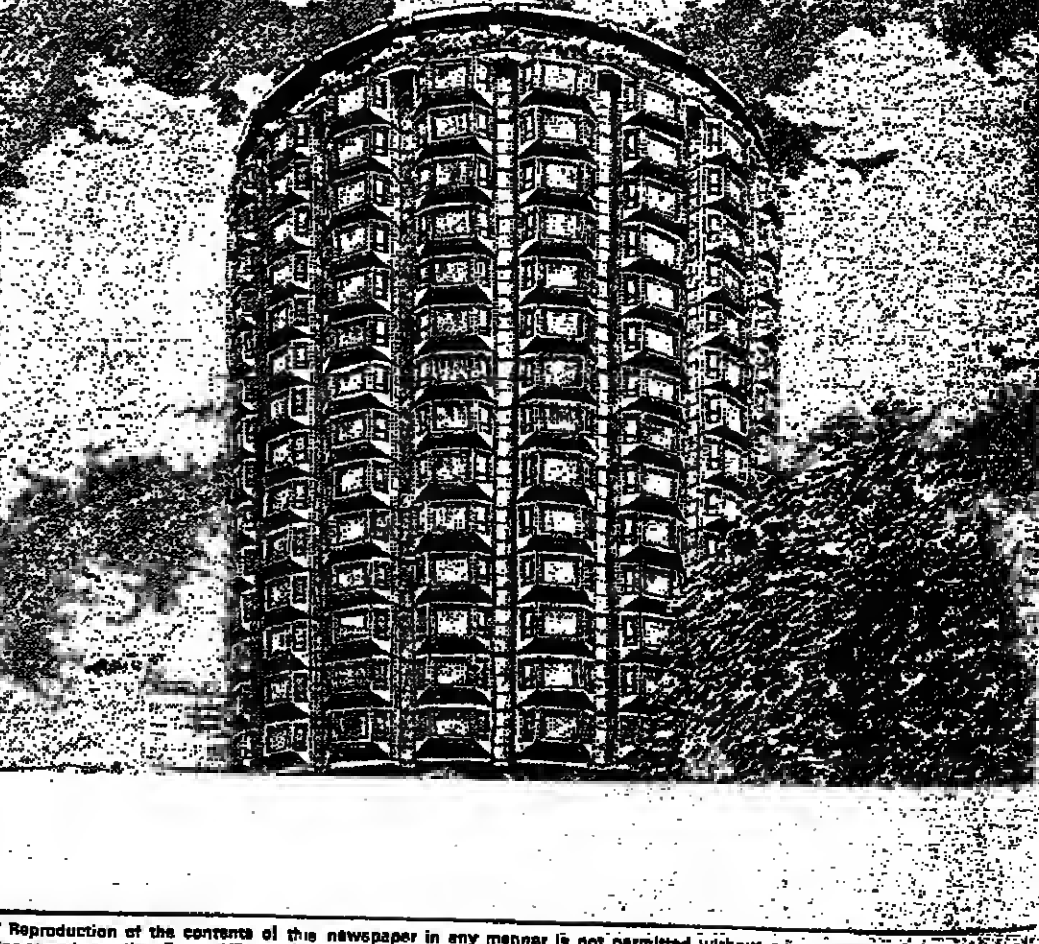
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Israeli Cabinet backs U.S. terms for Beirut pull-out

BY DAVID LENNON IN TEL AVIV

THE ISRAELI cabinet yesterday accepted in principle the U.S.-mediated plan for the withdrawal of its troops from Lebanon. But it is seeking further clarification of a number of the security and political aspects of the agreement.

Mr George Shultz, the U.S. Secretary of State, who has been shuttling between Jerusalem and Beirut for more than a week to bring about the agreement, described the Israeli decision as a "milestone".

Withdrawal of all foreign troops from Lebanon is an essential first step in U.S. attempts to revive President Ronald Reagan's Middle East peace plan.

Mr Shultz said as he was leaving Jerusalem for Jordan and Syria that he was "really pleased" that the Prime Minister and the Cabinet of Israel had decided to accept the agreement.

The Secretary of State is expected to meet problems in Syria. Damascus has already indicated that it does not

approve of the terms of the pact. If President Hafez Assad refuses to withdraw his forces from Lebanon, then Israel will not pull out its troops either.

Mr Shultz will stop over in Jerusalem on Sunday to report to the Israeli leaders on the outcome of his talks in Damascus.

The Israeli cabinet met for over six hours yesterday in a series of sessions as it debated the provisions of the agreement which could lead to the withdrawal of its troops who invaded Lebanon 11 months ago.

Some Ministers complained that the provisions for guaranteeing Israel's northern border against Palestinian guerrilla attacks from Lebanon were inadequate.

Reuters reports from Damascus: Syria's state-run radio attacked the U.S.-backed agreement, indicating that it was likely to be rejected by President Assad.

Just before the Israeli cabinet announcement, Damas-

cus Radio said: "Any reading of the clauses of the draft agreement shows that Israel has achieved military and political goals which it failed to achieve through its invasion of Lebanon."

Nora Boustany adds from Beirut: The Lebanese Cabinet went into an emergency session following the announcement from Jerusalem. A senior official said: "We welcome the Israeli decision but we want to know what the clarifications are. We are prepared to stand by the agreement. And we hope this will be the start of a new era for Lebanon."

AP-DJ adds from Phoenix, Arizona: President Reagan has hailed the Israeli Cabinet's decision, according to Mr Larry Speakes, deputy press secretary.

He said the President had spoken to Mr Meoabem Begin, the Israeli Prime Minister, and to Mr Shultz and had "praised the constructive and positive spirit in which the negotiations were successfully concluded."

The U.S. did not believe the clarifications being sought by Israel would be a difficult task.

Extel tops United's bid for Benn with £12.5m agreed offer

BY CHARLES BATCHELOR

EXTEL, the sporting and financial news agency group, has launched a £12.5m agreed counter-bid for Benn Brothers, the publisher of specialist business magazines, toppling an earlier contested offer from United Newspapers.

Extel held unsuccessful bid talks with Benn earlier this year, but has now been welcomed by the Benn board to ward off the approach by United, which publishes Punch and a range of provincial newspapers.

"Since we were so far down the road it was not difficult to pick up the conversation again," Mr Alan Brooker, Extel chairman, said. "We think there is a lot going for the two companies together."

Extel and Benn plan to pool resources to research printing, communications, and computer technology, while Extel's experience of computerised data bases can be applied to Benn's statistical data, the two companies said.

Extel is offering three shares for every five Benn shares in a deal which values Benn shares at 185p each on the basis of yesterday's closing share price.

United's offer, worth 148p or a total of £11m when made on April 15, is now worth nearly 181p or £12.1m following the rise in United's share price in the meantime.

Mr Donald Anderson, joint managing director of United, said: "We are looking at the Benn offer. We considered it was a spirited offer when we

made it, and it has now increased in value."

Extel has the support of the Benn board and other shareholders owning 19.24 per cent of the capital, while United has 14.5 per cent of the equity committed to its bid.

It accompanied yesterday's bid with the announcement that audited pre-tax profits rose 18 per cent to £2.5m for the year ended March 31 after a strong second-half recovery.

The proposal is to pay a final dividend of 7.5p, making a total of 10p, an increase of 1 per cent on the previous year.

Extel will also pay £425m by Press Association out of the jointly-owned sports results service. This agreement has been under review by the Office of Fair Trading for several years.

Continued from Page 1

Amoco attacks oil sale

voir or an extension of the Montrose Field.

This will have a bearing on tax treatment of Arbroath production.

Arbroath is small by North Sea standards, containing about 50m barrels of recoverable reserves. Mr Dalton said the development could be justified only as a result of recent cuts in North Sea taxation.

It is expected that Arbroath will be exploited through a small steel platform and the oil transported via the Montrose Field.

Amoco is among dozens of North Sea companies which should hear next week whether they have been granted licences under the eighth round of allocations.

In the past Amoco has submitted a joint exploration application with British Gas, but this time, according to Mr Dalton, the two have decided to bid separately.

Amoco is concerned that British Gas's future oil activities might be frustrated by the Government.

Several considers sale of European assets, Page 25

Continued from Page 1

Thatcher

tage points over Labour, much less than in recent polls. But the Tories are encouraged by the Alliance share of the vote, least than in last year's local elections.

The results were undoubtedly disappointing for the Alliance, though not disastrous. As expected, the Liberals did better than the SDP, especially where they had established strong local roots, and they are now major challengers in any general election in, for example, Chesham and Yeovil and Chelmsford. The SDP, however, dropped back in some of its target seats, though its sitting MPs could do better in a general election.

Conservative concern about the Alliance challenge was reflected in the warning yesterday by Sir Geoffrey Howe, the Chancellor, that the SDP and Liberals could "yet cause great havoc in Tory seats."

John Lloyd and Margaret Foot, the Labour leader, said the local poll results showed a trend in Labour's favour but this would have to be "pushed much further" to win a general election.

Mr Foot was speaking during the first session of a summit meeting between Labour Party and union leaders at the General and Municipal Workers' Woodstock College in South London.

Lawson launches energy offensive

BY RAY DAFTER, ENERGY EDITOR

THE GOVERNMENT is to create an "umbrella" body to promote the UK energy conservation industry and to co-ordinate save-it campaigns.

The move, announced yesterday by Mr Nigel Lawson, the Energy Secretary, is in line with the main recommendation of a report by Lord Rayner, the Prime Minister's personal adviser on Whitehall efficiency.

Mr Lawson said the Energy Efficiency Office would be a "major step" towards promoting cost-effective use of energy, which was central in the Government's energy policy and economic strategy.

Whitcomb departments have not yet agreed on the proposed transfer of some of their conservation interests to the office, it is understood.

The Rayner report recommended that campaigns promoted by the Departments of Environment, Transport,

Industry, Health and Social Security should be merged with those of the Energy Department. Between them these departments administer more than £100m-worth of conservation schemes each year.

Mr Lawson told a London meeting of energy managers from industry and commerce that he intended to press ahead with the efficiency office to replace his department's conservation division.

The office will be headed by a director general and will operate in much the same way as the Offshore Supplies Office, set up by the Energy Department to promote the interests of UK oil equipment and service companies.

It will have three main objectives: to help the energy conservation industry develop and sell its products at home and abroad; to integrate and direct the Government's energy-saving publicity campaigns; to

control and direct Government research and development work aimed at improving energy efficiency.

Mr Lawson said the Government also intended to improve the monitoring of industry's energy use. This was recommended more than a year ago in an as-yet unpublished report by its consultants, Armitage Norton.

The Energy Department has decided to spend up to £400,000 annually over the next four years encouraging the better monitoring of fuel and electricity use.

Mr Lawson gave no indication that the Government would give more aid to industry and domestic energy users to encourage greater savings.

"Energy users should pay the costs of the investment themselves and bear the responsibility for their actions, since it is they who stand to reap the financial benefits, he said.

Weather

UK TODAY

SUNNY periods and showers. London, S.E. Coast, E. England, Wales, Channel Isles.

Sunny periods, showers. Max 16C (61F).

N.W. NE England, N Wales, Isle of Man, Scotland. Showers or longer periods of rain. Sunny intervals. Max 14C (57F).

N Ireland. Rain, becoming more showery. Sunny intervals. Max 13C (55F).

Outlook: Becoming colder and windy.

WORLDWIDE

	Today	Friday	Saturday	Sunday
Algeria	F 19 68	Umbria	S 17 63	
Angola	S 24 75	Madagascar	S 22 72	
Antarctica	C 17 63	Medford	F 22 72	
Argentina	S 24 75	Malaga	F 22 72	
Australia	F 20 68	Malta	S 22 72	
Bahamas	F 20 68	Mexico	C 22 72	
Bahrain	F 20 68	Moscow	S 22 72	
Bangladesh	F 20 68	Munich	S 22 72	
Barbados	F 20 68	Nairobi	S 22 72	
Belize	F 20 68	Naples	S 22 72	
Bermuda	F 20 68	Nassau	S 22 72	
Bhutan	F 20 68	Norwich	S 22 72	
Bolivia	F 20 68	Norway	S 22 72	
Bosnia	F 20 68	Oaks	S 22 72	
Brazil	F 20 68	Osaka	S 22 72	
Bulgaria	F 20 68	Paris	S 22 72	
Burkina	F 20 68	Peking	S 22 72	
Burundi	F 20 68	Perth	S 22 72	
Cambodia	F 20 68	Porto	S 22 72	
Cameroon	F 20 68	Reykjavik	S 22 72	
Canada	F 20 68	Rhodes	S 22 72	
Cape Verde	F 20 68	Rio de Janeiro	S 22 72	
Cayman	F 20 68	Rome	S 22 72	
Central America	F 20 68	Salt Lake City	S 22 72	
Chad	F 20 68	Sao Paulo	S 22 72	
Chile	F 20 68	Seoul	S 22 72	
China	F 20 68	Shanghai	S 22 72	
Columbia	F 20 68	Shenzhen	S 22 72	
Costa Rica	F 20 68	Singapore	S 22 72	
Croatia	F 20 68	Sofia	S 22 72	
Cuba	F 20 68	Stockholm	S 22 72	
Cyprus	F 20 68	Strasbourg	S 22 72	
Czech Republic	F 20 68	Taipei	S 22 72	
Dominican Republic	F 20 68	Tel Aviv	S 22 72	
Dominica	F 20 68	Tenby	S 22 72	
DRC	F 20 68	Toronto	S 22 72	
Ecuador	F 20 68	Tripoli	S 22 72	
El Salvador	F 20 68	Tunisia	S 22 72	
Equatorial Guinea	F 20 68	Valencia	S 22 72	
Eritrea	F 20 68	Vancouver	S 22 72	
Estonia	F 20 68	Vladivostok	S 22 72	
Ethiopia	F 20 68	Warsaw	S 22 72	
Fiji	F 20 68	Washington	S 22 72	
Finland	F 20 68	Wellington	S 22 72	
France	F 20 68	Yokohama	S 22 72	
French Polynesia	F 20 68			
Gabon	F 20 68			
Gambia	F 20 68			
Germany	F 20 68			
Ghana	F 20 68			
Greece	F 20 68			
Guatemala	F 20 68			
Haiti	F 20 68			
Honduras	F 20 68			
Hungary	F 20 68			
Iceland	F 20 68			
India	F 20 68			
Indonesia	F 20 68			
Iran	F 20 68			
Ireland	F 20 68			
Israel	F 20 68			
Italy	F 20 68			
Jamaica	F 20 68			
Japan	F 20 68			
Jordan	F 20 68			
Kazakhstan	F 20 68			
Kenya	F 20 68			
Korea	F 20 68			
Kuwait	F 20 68			
Laos	F 20 68			
Latvia	F 20 68			
Lebanon	F 20 68			
Lesotho	F 20 68			
Lithuania	F 20 68			
Luxembourg	F 20 68			
Madagascar	F 20 68			
Malawi	F 20 68			
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Maldives	F 20 68			
Mali	F 20 68			
Malta	F 20 68			
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Mexico	F 20 68			
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Niger	F 20 68			
Nigeria	F 20 68			
North Macedonia	F 20 68			
Oman	F 20 68			
Pakistan	F 20 68			
Panama	F 20 68			
Papua New Guinea	F 20 68			
Paraguay	F 20 68			
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